Distr.
GENERAL

IDB.18/15/2
PBC.13/14/2
20 August 1997

United Nations Industrial Development Organization

ORIGINAL: ENGLISH

Industrial Development Board

Resumed eighteenth session
Vienna, November 1997
Item 4 (c) of the provisional agenda

Programme and Budget Committee

Thirteenth session
Vienna, 8-12 September 1997
Item 6 of the provisional agenda

PROGRAMME AND BUDGETS, 1998-1999

Indicative 20 per cent budget reduction*

Proposals by the Director-General

PRIN TY

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COLLECTION

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* The present document has not been edited.

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V.97 25896 (E) (a:\1997\pmo b1/2)

Distr.: 1 September 1997

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Abbreviations

AAI	Alliance for Africa's Industrialization
ACABQ	Advisory Committee on Administrative and Budgetary Questions
ACC	Administrative Committee on Coordination
AE	Associate Expert
ASEAN	Association of South-East Asian Nations
BOT	build-operate-transfer
CAD/CAM	computer-aided design/computer-aided manufacturing
CAMI	Conference of African Ministers of Industry
CASE	International Centre for Application of Solar Energy
CCAQ(PER)	Consultive Committee on Administrative Questions Personnel and General Administrative Questions
CFC	chlorofluorocarbon
CFC	Common Fund for Commodities
COMFAR	UNIDO Computer Model for Feasibility Analysis and Reporting
CVI	Children's Vaccine Initiative
DIPP	Databank for Investment Promotion Programmes
EC	Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol
ECDC/TCDC	economic and technical cooperation among developing countries
EDF	European Development Fund
EDP	electronic data processing
EGM	expert group meeting
EPI	Expanded Programme on Immunization
EPMS	Environment Pollution Monitoring Network
EMAS	Eco-Management and Audit Scheme
EMS	environmental management system
ESID	environmentally sustainable industrial development
FAO	Food and Agriculture Organization of the United Nations
GEF	Global Environment Facility
GHG	greenhouse gas
HABITAT II	Second United Nations Conference on Human Settlements
IA	implementing agency
IACSD	Inter-Agency Committee on Sustainable Development
IAEA	International Atomic Energy Agency
IAF	International Accreditation Forum
ICAMT	International Centre for Advancement in Manufacturing Technology
ICGEB	International Centre for Genetic Engineering and Biotechnology
ICHET	International Centre for Hydrogen Energy Technology
ICMET	International Centre for Materials Evaluation Technology
ICS	International Centre for Science and High Technology
ICSC	International Civil Service Commission
IDDA	Industrial Development Decade for Africa

IDF	Industrial Development Fund
ILO	International Labour Organization
IMACC	International Materials Assessment and Application Centre
INDIS	Industrial Information System
INTIB	Industrial and Technological Information Bank
IOMC	Inter-Organization Programme for the Sound Management of Chemicals
IPS	Investment Promotion Service
IPSO	Investment Promotion Service office
ISO	International Organization for Standardization
IUPAC	International Union of Pure and Applied Chemistry
IVI	International Vaccine Institute
JPO	Junior Professional Officer
JUNIC	Joint United Nations Information Committee
LDC	least developed country
LME	Industrial Pollution Control for the Biodiversity Conservation of Large Marine Ecosystems
MIGA	Multilateral Investment Guarantee Agency
MFS	Multilateral Fund Secretariat
MP	Multilateral Fund for the Implementation of the Montreal Protocol
NCPC	National Cleaner Production Centre
NGO	non-governmental organization
NIS	Newly Independent States of the former Soviet Union
NPO	National Programme Officer
OAU	Organization of African Unity
OB	operational budget
ODS	ozone-depleting substance
OECD	Organisation for Economic Cooperation and Development
OOPP	objectives-oriented project planning
OSH	Occupational Safety and Health
PHARE	Assistance for economic restructuring in the countries of Central and Eastern Europe
PPRC	Programme and Project Review Committee
QSM	quality, standardization and metrology
RB	regular budget
R and D	research and development
RPTC	Regular Programme of Technical Cooperation
SMI	small and medium industry
SPPD	support for policy and programme development
STS	support for technical services
TACIS	Technical Assistance for the Commonwealth of Independent States
TQM	total quality management

UCD	UNIDO Country Director
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNITAR	United Nations Institute for Training and Research
UNJSPF	United Nations Joint Staff Pension Fund
UNOV	United Nations Office at Vienna
VIC	Vienna International Centre
WHO	World Health Organization
WTO	World Trade Organization

INTRODUCTION

1. The introduction to the present document should be read in conjunction with the introduction in document IDB.18/15/1-PBC.13/14/1 "*Programme and Budgets, 1998-1999 - Indicative 10 per cent budget reduction*", specifically with regard to format and presentation, programme framework, decentralization to the field and budget methodology.

2. At its sixteenth session, the Industrial Development Board in its decision IDB.16/Dec.12 requested the Director-General to prepare his programme and budget proposals for the biennium 1998-1999 with a ceiling lower than zero real growth, without constituting a precedent, while not affecting substantive programmes and activities. Subsequently, the Board, at its seventeenth session, adopted decision IDB.17/Dec.2, the annex to which proposed indicative levels of 20 per cent and 10 per cent reduction of the budget for the preparation of the 1998-1999 regular budget proposals. Furthermore, in response to the discussions at the seventeenth session and with the concurrence of the Board, the President of the Board requested the Secretariat to present a third budgetary proposal based on an indicative reduction of 30 per cent, with the understanding that it would be considered on an equal basis with the other two submissions (IDB.17/SR.8, paragraph 10).

3. The present document represents the Director-General's programme budget proposals under an indicative level of 20 per cent reduction in the regular budget and with operational budget levels based on anticipated technical cooperation delivery and support cost income in the biennium. The proposals are based on the Business Plan on the Future Role and Functions of UNIDO adopted by the seventeenth session of the Board (IDB.17/Dec.2) and include work programmes and related budget estimates in accordance with the new priorities established in the Business Plan.

4. The programme budgets contained in this document have been prepared under extraordinary circumstances, particularly due to a combination of the following elements:

(a) The extremely limited time available for in-depth programmatic and financial analysis;

(b) The request from Member States to prepare three different budget scenarios comprising substantial budgetary reductions with impact on activities, and staff and non-staff resources;

(c) The conceptualization and application of a new genuinely programmatic budget approach and format;

(d) The definition, in the Business Plan, of new programmatic priorities, and the concomitant discontinuation of a number of activities;

(e) The drastic streamlining of the organizational structure of UNIDO;

(f) The radical shift in the balance of operations and resources between Headquarters and the field resulting from the strong call by Member States for further decentralization; and

(g) The restructuring of field operations themselves with a gradual move towards establishing subregional UNIDO offices.

I. Programme Change Highlights

5. It is recalled that under the 10 per cent budget reduction proposal, resources for the substantive programmes were reduced in accordance with discontinued activities identified in the Business Plan, and savings were achieved through organizational streamlining and other efficiency-enhancing measures. Against this background, the 20 per cent budget reduction proposal necessitates the following additional programmatic changes and resource reductions.

6. The main programme implications under the 20 per cent budget reduction proposal are summarized below:

(a) A reduced field representation with only 20 subregional and country offices. This reduced coverage - implying a loss of four country offices (two in Africa, one in Asia and the Pacific, and one in Latin America and the Caribbean) compared to the 10 per cent scenario - would seriously constrain the UNIDO presence in the field; reduce the Organization's capacity to respond, in direct interaction with country-level counterparts, to the demand for its services; and limit its collaboration with other United Nations agencies. It would thus run counter to the renewed emphasis, as also contained in the Secretary-General's reform proposals, on enhanced United Nations system cooperation and unified field presence;

(b) Reduced resource levels in most substantive programmes. This will lead to significant cuts in the volume of services UNIDO will be capable of rendering to developing countries and countries with economies in transition. Clearly, under this scenario an increasing number of requests for assistance will have to be turned down, even in areas of high demand, and delivery of technical cooperation in certain regions and countries will suffer;

(c) Discontinuation of selected activities which would otherwise be carried out under the 10 per cent scenario. This involves in particular:

(i) Subprogramme C.1.1 (Investment Promotion and Technology Transfer): Activities related to the establishment of new Investment Promotion Service Offices, the targeted promotion of investment and technology flows among developing countries and between developing countries and countries with economies in transition, and the upgrading of methodological tools for investment project appraisal. As a result of these cuts, the expansion of UNIDO's investment promotion network in line with requests from a number of Member States would not be possible and the overall development impact of the Subprogramme would be significantly reduced. This would particularly affect those developing countries which hitherto have not been part of the IPS network of UNIDO and, thus reduce future possibilities of promoting beneficial investment flows to these countries;

(ii) Subprogramme C.1.2 (Technological Capacity-building): Activities related to the creation of new UNIDO global technology centres. This would imply that UNIDO would have to confine itself to operating the already existing global technology centres. The requests received from Member States to establish new centres, most of which are in an advanced stage of preparation based on detailed feasibility studies, could no longer be pursued. Specifically, this applies to the following centres: International Centre for Hydrogen Energy Technology (ICHET) in Turkey, International Centre for Materials Evaluation Technology (ICMET) in the Republic of Korea, International Centre for Advancement in Manufacturing Technology (ICAMT) in India, International Materials Assessment and Application Centre (IMACC) in Brazil, and the Mediterranean Centre for Marine Industrial Technologies in Greece;

(iii) Subprogramme C.1.3 (Industrial Information and Networking): Activities related to information support to other UNIDO programmes (such as the National Cleaner Production Centres), the

International Referral System on specialized information sources, and information on global human resource development opportunities in the field of industrial development;

(iv) Subprogramme C.2.1 (Industrial Analysis and Policy Advice): Activities related to the social implications of industrial restructuring processes, and to ad hoc requests from policy-making organs. This would be to the detriment of many countries involved in the transition from centrally planned to market economies. Also, it would no longer allow UNIDO to follow up effectively on the recommendations of important global conferences, such as the World Summit for Social Development, the World Conference on Women, and the forthcoming Copenhagen Conference on Social Responsibility of Enterprises, and would weaken the capacity of UNIDO to develop concepts and programmes for the integration of women in industrial development;

(v) Subprogramme C.2.2 (Industrial Statistics): activities related to special publications (Africa in Figures, ASEAN in Figures, Inventory of Industrial Statistics) and to developing indicators of sustainable development and indicators of industrial competitiveness. This would in particular have repercussions also on Subprogramme C.2.2, which needs to rely on statistical support in developing indicators for comparative assessments of industrial development and performance. It would clearly weaken a central element of the global forum function of UNIDO;

(vi) Subprogramme C.3.1 (Small and Medium Industry and Private Sector Development): activities related to urban industrial development in follow up of HABITAT II, and activities specifically addressing rural poverty issues through promoting rural micro- and small industries. The latter would negatively affect the capacity of UNIDO to contribute to poverty alleviation, above all in least developed countries;

(vii) Subprogramme C.5.1: Activities related to essential drug and immunization programmes in cooperation with WHO and other organizations, thus limiting UNIDO's important contribution to inter-agency cooperation in these areas;

(viii) Subprogramme C.5.2: Activities related to assisting engineering industries in restructuring, and applying computerized maintenance systems and management information systems. This would have a negative impact particularly on more advanced developing countries which need to build up information-based production processes to meet international competition.

7. Under the 20 per cent budget reduction proposal, additional reductions have been effected in the areas of administration and general management. The Secretariat has imposed these further cuts with a view to maintaining the overall share of resources allocated to administrative and managerial support functions at an acceptable level. However, the Secretariat wishes to stress that as a result of these cuts, many important support functions will no longer command the minimum levels of staff required to ensure a smooth financial and operational management of UNIDO. Clearly, the further reductions in these areas run a great risk of rendering some of the Organization's support functions ineffective. This also involves critical planning and oversight functions such as strategic planning and internal audit.

Synopsis of overall budgetary resource allocations

8. While resource allocations to the various budgetary programmes are explained in greater detail throughout the document, the following table summarizes the resource allocations to the two substantive clusters of activities identified in the Business Plan, and to the area of policy direction and administration. The table shows that the overall resources allocated to Strengthening of Industrial Capacities account for approximately half (47.7 per cent) of the total regular and operational budget resources of UNIDO in the 1998-1999 biennium. Almost one fifth (19.6 per cent) of regular and operational budget resources is absorbed by Cleaner and Sustainable Industrial Development, which puts the share of both substantive clusters at almost 70 per cent of

total resources. Less than one third (32.7 per cent) is accounted for by Policy Direction and Administration, which is comprised of Policy-making Organs (4.6 per cent), General Management (7.4 per cent), Buildings Management (4.7 per cent) and Administration, with the latter accounting for 16 per cent of total regular and operational budget resources.

Programme and budgets, 1998-1999
RB/OB resource allocations by major area of activity
(In thousands of US dollars at US$ 1 = AS 12.90 at 1996-1997 rates)

	20%	
	$	%
Strengthening of Industrial Capacities		
Programmes	47,102.0	31.3
Regional Programme Management	17,921.1	11.9
Technical Cooperation Management	6,731.4	4.5
Subtotal	71,754.5	47.7
Cleaner and Sustainable Industrial Development		
Programmes	17,579.0	11.7
Regional Programme Management	6,688.3	4.4
Technical Cooperation Management	5,258.7	3.5
Subtotal	29,526.0	19.6
Policy Direction and Administration		
Policy-making Organs	6,898.2	4.6
General Management	11,126.7	7.4
Administration (including Miscellaneous Income)	24,120.6	16.0
VIC Buildings Management	7,127.9	4.7
Subtotal	49,273.4	32.7
Total	150,553.9	100.0

II. Budget Framework

9. This section describes the adjustments and reductions achieved in the regular budget, the methodologies used in preparing the estimates, the development of the budgetary estimates, recosting (inflation), income and other features of the 1998-1999 regular and operational budgets.

Budget adjustments and reductions achieved - regular budget

10. The 1998-1999 regular budget reflects substantial reductions, when compared to the approved level of 1996-1997 biennium.

11. The following table summarizes the overall reductions in the regular budget:

Regular budget reductions
(In thousands of US dollars at US$ 1 = AS 12.90 at 1996-1997 rates)

		US$	
A.	Approved budget (net) for 1996-1997		180,899.5
B.	Reductions achieved in the Contingency Plan and during 1996-1997		(24,538.8)
C.	Base for 1998-1999 budget		156,360.7
D.	Net reductions achieved in the budget proposals for 1998-1999 (PBC.13/14/1)	(15,816.6)	
E.	Additional reductions to achieve 20% indicative reduction	(15,459.2)	(31,275.8)
F.	Proposed budget level (net) for 1998-1999 a/		125,084.9

a/ Before recosting to 1998-1999 rates

12. The regular budget reductions achieved in the 1998-1999 budget proposals result from (a) decisions taken to discontinue certain activities; (b) the streamlining of organizational structures; (c) the introduction of efficiency-enhancing and cost-cutting measures, particularly in Administration and other programme support areas; and (d) additional resource reductions in terms of posts and non-staff costs in all programmes.

(a) Discontinued activities

13. The Business Plan identified a number of activities to be discontinued. In some of these cases, the Business Plan establishes general criteria for the reorientation of activities without quantifiable budget reduction impact. In other cases, in particular related to human resource development, a more focused sectoral coverage and activities related to privatization, the budgetary impact has been significant.

14. The corresponding regular budget reductions related to discontinued activities, which included 18 Professional and 7 General Service posts, and non-staff items such as travel and consultants, amount to approximately $5.1 million.

(b) Streamlining of organizational structures, efficiency-enhancing and cost-cutting measures

15. The Business Plan proposal for a "three divisional structure" will result in the elimination of three posts at the Managing Director level, together with support staff and other costs. This represented savings in the budget of $4.4 million.

16. The streamlining of organizational structures will place a greater demand on the remaining staff of the Organization. The delegation of responsibility to lower level staff, as proposed in the Business Plan and in line with modern management principles, will continue to be emphasized during the biennium.

17. The budget proposals include significant savings from both a streamlined organizational structure and efficiency-enhancing measures already in place or to be introduced before the beginning of the 1998-1999 biennium and include significant budget reductions in the areas of Administration and General Management.

18. Specifically, in streamlining the organizational structures, several units will be merged with a view to achieving greater synergies. This applies, for instance to:

(a) The present Industrial Policies and Private Sector Development Branch and the present Studies and Research Branch, which will be merged into an Industrial Policies and Research Branch;

(b) The units for Programme and Project Review Committee Secretariat, Programme Monitoring and Coordination of Funds Mobilization will be consolidated in a single Programme and Funds Management section;

(c) In the area of Administration, the operational support functions of Project Personnel, and Purchase and Contracts are to be subsumed under Personnel and General Services, respectively.

19. Furthermore, the present coordination units for the integration of women, least developed countries and ECDC/TCDC have been reduced to focal points comprising one Professional and General Service post respectively.

20. Further reductions have been achieved in the budget proposals in staff and non-staff expenditures through a combination of revised procedures, changes in administrative processes, utilization of cheaper air fares, reduced entitlement for standards of travel, reduced numbers of meeting days, fewer and more concise documents, and imposed reductions in general operating costs, including supplies, furniture and equipment, and repairs and maintenance.

21. The practice in UNIDO of having administrative processes outsourced or subsumed under joint or common services with other agencies in the VIC will be expanded. Currently, the following services are provided by outside suppliers or organizations: some building maintenance service, such as cleaning and maintenance of elevators; computer mainframe operations; communications; library and medical services; languages and documentation; interpretation and meetings planning; printing; travel and some staff training programmes. Further measures involving either streamlining of procedures or outsourcing are to be considered for introduction in 1998. These include computer services, travel administration and Buildings Management Services.

22. The transfer of responsibility by 1 January 1999 for the provision of Buildings Management Services to another agency within the VIC is a proposal of significant importance. As UNIDO was given responsibility for this service under the tripartite agreement with the IAEA and the United Nations, the relinquishment of responsibility represents a major change in the arrangements for joint and common services in Vienna.

23. The transfer of responsibility for Buildings Management Services would relieve UNIDO of a complex administrative burden and result in reductions in staff resources in administrative areas. It would also permit UNIDO to concentrate on its core functions. However, it must be emphasized that if a transfer is not affected by 1 January 1999, UNIDO would have to continue to manage the service, which would require a re-allocation of budgetary resources and the maintenance of the administrative posts supporting the Buildings Management Services.

24. Another important proposal foresees a reduction of Board meeting days during the biennium from 15 to 10. This will result in savings in conference servicing costs of approximately $800,000.

25. The total staff and non-staff reductions in the regular budget from efficiency-enhancing measures, cost-cutting and further streamlining of organizational structures amount to $8.5 million.

(c) Additional resource reductions

26. The additional financial resource reductions made under the indicative 20 per cent budget reduction amount to $15,459,200. The reduction comprises 34 Professional-level and 26 General Service-level posts, together with non-staff reductions of $4.9 million. The programmatic impact of the reductions is described in paragraphs 6 and 7 of the introduction as well as under the programme sections throughout the document. The specific resource reductions, including post abolitions are also described under the programme sections.

27. The following is a summary of the major reductions achieved under the regular budget in the area of non-staff costs:

Reductions achieved
(Excluding field offices, IDDA programme and Buildings Management)
(In thousands of US dollars)

	1996-1997 Contingency plan (1998-1999 base)	**Reduction in budget**	**1998-1999 budget**	**Percentage reduction**
Travel	2,393.8	644.8	1,749.0	27.0
Consultants	1,706.9	508.8	1,198.1	29.8
Languages and Documentation	10,034.0	2,029.4	8,004.6	20.0
Other joint services a/	8,322.9	1,968.1	6,354.8	23.6
General operating expenses/supplies and acquisition	4,270.1	883.4	3,386.7	20.7
Expert group meetings	686.6	259.6	427.0	37.8

a/ Medical, library, security and safety, printing and communications

(d) Summary

28. The following table summarizes the reductions achieved in the programme and budget, 1998-1999:

	US$ million	**% of budget base a/**
Discontinued activities	5.1	3.2
Streamlining of organizational structures	4.4	2.8
Efficiency-enhancing and cost-cutting measures	8.5	5.4
Additional resource reductions (as compared to 10 per cent budget reduction proposal)	13.3 b/	8.5
Net reductions achieved	31.3	20.0

a/ Budget base of $156.4 million.

b/ Figure is net of the resource redeployments made to strengthen substantive programmes in the 10 per cent budget reduction proposals ($2.2 million), which were eliminated in the 20 per cent budget reduction proposal.

Budget reductions - operational budget

29. The operational budget estimates for 1998-1999 show a reduction of $3,341,000, as compared to the 1996-1997 budget. The reduced expenditure estimates reflect the technical cooperation delivery estimates and support cost income earnings projected for 1998-1999. Account has also been taken of the impact of the discontinuation of activities on the operational budget income and resource allocations.

Development of budget estimates

30. The development of the budgetary estimates begins with the budget for 1996-1997, approved by the General Conference at its sixth session in December 1995 (GC.6/Dec.11). The budgetary estimates for 1998-1999 comprise four major elements:

(a) Approved budget for 1996-1997;

(b) Contingency plan reductions effected in 1996-1997 (in accordance with decision GC.6/Dec.11(e));

(c) Resource reductions for 1998-1999 at 1996-1997 rates; and

(d) Inflation and other cost adjustments.

(a) Approved budget for 1996-1997 as the budget base

31. The budget for 1996-1997, as contained in document IDB/S.6/2-PBC/AS.2/2 and approved by the General Conference in decision GC.6/Dec.11, detailed the resource requirements to implement the programmes of the Organization for 1996 and 1997.

32. The approved budget for the 1996-1997 biennium, which is the starting point for the budget estimates for 1998-1999, represents a net amount of $180,899,500, which comprises expenditures of $210,246,600 and income of $29,347,100 under the regular budget and expenditures of $28,810,000 under the operational budget.

(b) Contingency plan adjustments during 1996-1997 - budget base

33. In its decision GC.6/Dec.11(e), the General Conference requested the Director-General to implement the programme and budgets for 1996-1997 within the cash resource availability and in accordance with the contingency plans. Due to the non-payment of assessed contributions by some Member States and the non-payment of the mandatory contribution by the United States of America, which withdrew from the Organization at the end of 1996, the resource availability in 1996-1997 was inadequate to implement the approved budget. Budgetary reductions were effected in accordance with the contingency plans and within the cash availability.

34. The contingency plan adjustment of $24,538,788 also reduced the regular budget base for 1998-1999 to the level noted by the General Conference in decision GC.6/Dec.11(f). The base of the 1998-1999 budget of $156,360,712 comprises expenditures of $185,707,812 and an income of $29,347,100.

35. Under the operational budget, the expenditure levels for 1996-1997 under the contingency plan amounted to $28,471,300.

(c) Resource reductions for 1998-1999

36. The resource reductions proposed for 1998-1999 are described in detail under paragraphs 12 to 28 of the present document. The reduced level of the regular budget of $125,084,900 represents a reduction against the approved budget for 1996-1997 of $55,814,600 or 30.9 per cent and against the budget base for 1998-1999 of $31,275,800 or 20 per cent

(d) Inflation and other cost adjustments

37. As described above, the application of inflation and other cost adjustments to the 1998-1999 estimates (expressed at 1996-1997 rates) results in a recosting of these estimates to 1998-1999 rates. The recosting, therefore, includes:

(i) The revaluation of the 1996 estimates to 1997 rates; and

(ii) Application of the 1998-1999 estimates for inflation for each of those years to the budget estimates expressed at 1996-1997 rates.

38. Also included under this heading is an adjustment in respect of reduced income, as compared to 1996-1997, for Buildings Management Services to be provided to other agencies in the VIC complex during 1998. The reduced income results from an adjustment in the budgeted standard salary costs for General Service staff working in Buildings Management Service.

39. The vacancy factors assumed in the budget for 1998-1999 are 5 per cent for Professional-level and 3 per cent for General Service-level staff. The vacancy factor is applied to the budget estimates to take account of the fact that there is a period of vacancy during the process of recruitment, which reduces the financial requirements for the biennium.

40. The increase in financial requirements due to inflation relates to anticipated changes in the consumer price and wage index levels in Austria and field locations in 1998 and 1999, and to expected statutory changes in salary and common staff costs for staff on established posts, which the Organization is obliged to implement in full.

41. An adjustment of the inflation rates was made on the basis of: (a) the most recent consumer price and wage index levels forecast in Austria for 1998 and 1999; (b) expected statutory changes in salaries and common staff costs; and (c) information obtained from other United Nations organizations providing services to UNIDO in the VIC complex.

42. Projections have been made of standard salary costs for the biennium 1998-1999 that reflect anticipated cost increases. For Professional-level salaries an increase of 2.1 per cent per annum is expected, comprising movements in the consumer price index leading to increases in post adjustment rates and provision for in-grade increments. For General Service staff and in the light of the ICSC salary survey conducted in 1996, increases anticipated in the combined consumer price index and wage index for 1998-1999 can be absorbed and salaries of existing staff will remain at current levels. However, a provision is included for an increase of 1.1 per cent for within-grade increments and promotions for General Service staff.

43. The combined Professional-level and General Service-level ratio of common staff costs to net salaries in 1998-1999, is estimated at 39.6 per cent (1996-1997 = 38.3 per cent) reflecting the increasing P to G ratio in the biennium.

44. The inflation rate for individual objects of expenditure (utilities, operating costs, supplies, etc.) is based on forecasts of price index movements by the Austrian Institute for Economic Research, or on assumed inflation

trends in field offices. The average compounded rate for inflation for 1998-1999 is 2.4 per cent per annum. The amount required under recosting, including provision for the effects of inflation under the regular budget for the period 1996-1999, is estimated at $5,294,800.

(e) Summary

45. The development of the 1998-1999 budgetary estimates is summarized in the following table:

Development of budgetary estimates (net), 1998-1999
(In US dollars at US$ 1 = AS 12.90)

	RB	OB	Total
Approved budget, 1996-1997	180,899,500	28,810,000	209,709,500
Contingency plan adjustment in 1996-1997	(24,538,800)	(338,700)	(24,877,500)
Budget base for 1998-1999	156,360,700	28,471,300	184,832,000
Resource reductions for 1998-1999	(31,275,800)	(3,002,300)	(34,278,100)
Inflation and other cost adjustments	5,294,800	550,700	5,845,500
Proposed budget for 1998-1999	130,379,700	26,019,700	156,399,400

Income

(a) Regular budget

46. UNIDO divides income into two categories: (a) miscellaneous income from the sale of publications, from bank interest earned on deposits and other sundry items; and (b) reimbursement for services provided to other organizations in the VIC complex. Details of miscellaneous income estimates are shown separately under the Miscellaneous Income section in the present document.

47. Income estimates related to cost reimbursement for Buildings Management Service are presented under Programme G.3.3.

(b) Operational budget

48. Income to cover operational budget expenditures is derived mainly from the reimbursement of support costs pertaining to UNDP, IDF, trust fund projects and other services, as well as bank interest earned on deposits. For the 1998-1999 biennium, total income is expected to be approximately $25.5 million. The income estimates are based on: (a) support costs derived from the value of current projects expected to continue in the 1998-1999 biennium; (b) support cost derived from projects expected to be approved; (c) anticipated host country contributions for subregional or country field offices and (d) bank interest earned on fund balances held on deposit. Details related to technical cooperation delivery and support costs income estimates are shown in table 2(b).

Other budgetary considerations

(a) Reductions in posts and staff

49. The budget proposals for 1998-1999 call for a reduction in posts and staff in the Organization. The current staffing levels cannot be sustained in 1998-1999, due to the anticipated reduction in the number of established posts. Additional resources, therefore, will be required to undertake a staff separation programme. The personnel and financial implications of the programme budget proposals, and consequent staff separation programme are contained in a separate document (IDB.18/15/5-PBC.13/14/5).

(b) Buildings Management Service

50. The budget estimates are prepared on the assumption that responsibility for the management of the Buildings Management Service for the VIC complex will be transferred to another organization from 1 January 1999. The transfer would not in itself result in reduced costs of accommodation in the VIC by UNIDO as the organization would continue to pay a share of the operating costs of the building complex. However, the budgetary provisions in the UNIDO budget in terms of expenditure items would be significantly changed. The expenditures for staff costs, supplies, furniture and equipment and general operating costs would be replaced by a single object of expenditure covering the required contribution to the joint buildings management service. UNIDO would, after 1 January 1999, no longer retain posts or staff under Buildings Management Service. However, it must be emphasized that the implementation of the proposal requires consultations and agreement with the Vienna-based organizations operating under the Memorandum of Understanding on Common Services.

51. The estimated costs for a major equipment replacement programme scheduled for 1998 and 1999 of $7.6 million (UNIDO's share $1.7 million) have not been included in the budget proposals. A source of financing will need to be identified for this important work as the estimates could not be absorbed in the regular budget for 1998-1999, already subject to a 20 per cent reduction.

(c) Strengthening of field representation

52. The strengthening of field representation under the regular and operational budgets requires the transfer of posts from Headquarters to the field. In view of the need to provide resources for field representation, savings identified from the lower cost of General Service posts in the field as compared to Headquarters, as well as savings in consultants and travel in Headquarters were utilized to ensure that all subregional and country offices are adequately resourced in terms of staff and operating costs. The budget estimates also include a modest provision under the operational budget income for host country contributions. To the extent that contributions in excess of the estimates are received, further strengthening of the field representation can be effected during the biennium. The budget includes new posts established in the subregional and country offices. In addition to the 12 Professional posts redeployed from Headquarters, 10 National Programme Officer and 12 General Service posts are included in the proposal under Major Programme E, Regional Programme Management.

(d) RPTC and IDDA supplementary funding

53. RPTC and IDDA supplementary activities hitherto grouped under a single common programme are presented in accordance with the new programmatic approach in the programmes and subprogrammes to which the activities relate. In order to permit a more flexible utilization control and reporting of the utilization of the IDDA supplementary funds, the resources have been grouped under a single object of expenditure. A more detailed analysis of the expenditures anticipated for the biennium is shown in the section on IDDA supplementary activities.

(e) Split-currency system of assessment

54. In accordance with financial regulation 5.1(d), the assessment of Member States shall be established in a component in United States dollars and the remainder in Austrian schillings. The budget for 1996-1997 was prepared on the basis of resource requirements of 12 per cent in United States dollars and 88 per cent in Austrian schillings.

55. As a result of a disbursement analysis undertaken in 1997, and after calculating the impact of redeployment of resources to the field (field expenditures are assumed to be United States dollar level), the proposed mix of currencies for 1998-1999 is 18 per cent in United States dollars and 82 per cent in Austrian schillings.

(f) United Nations loan

56. In accordance with Industrial Development Board decision IDB.4/Dec.29, two payments of $1 million each will be made to the United Nations during the biennium in partial repayment of the United Nations loan, which will be reduced to $6 million in 1999 as a result of these payments. The resources for these payments will be met from the receipt of outstanding assessed contributions and are therefore not included in the budgetary estimates or assessments of Member States.

Table 1

Summary of budget estimates by Major Programme for 1998-1999 for total operations

(In thousands of dollars at US$ 1 = AS 12.90)

Major Programme	Regular budget (net)	Operational budget	Technical cooperation	Total estimates	Per cent of total estimates
A. Policy-making Organs	7,139.9			7,139.9	1.9
B. General Management	11,451.0	241.9		11,692.9	3.2
C. Strengthening of Industrial Capacities	40,248.9	8,501.9	116,900.0	165,650.8	45.0
D. Cleaner and Sustainable Industrial Development	13,824.5	4,343.3	94 ,700.0	112,867.8	30.7
E. Regional Programme Management	19,760.6	5,487.1		25,247.7	6.9
F. Technical Cooperation Management	7,847.4	4,639.5		12,486.9	3.4
G. Administration	31,615.7	2,806.0		34,421.7	9.4
Miscellaneous Income	(1,508.3)			(1,508.3)	(0.4)
Total	130,379.7	26,019.7	211,600.0	367,999.4	100.0

Table 2(a)

Summary of regular and operational budgets

(In thousands of dollars at US$ 1 = AS 12.90)

	1996-1997 approved budget 1	1998-1999 resource growth at 1996-1997 rates 2	1998-1999 resource requirements at 1996-1997 rates 3	Recosting to 1998-1999 rates 4	1998-1999 resource requirements 5
Regular budget					
Expenditures	210,246.6	(70,193.0)	140,053.6	5,789.7	145,843.3
Income	(29,347.1)	14,378.4	(14,968.7)	(494.9)	(15,463.6)
Net requirements	180,899.5	(55,814.6)	125,084.9	5,294.8	130,379.7
Operational budget					
Expenditures	28,810.0	(3,341.0)	25,469.0	550.7	26,019.7
Total regular and operational budgets	209,709.5	(59,155.6)	150,553.9	5,845.5	156,399.4
Rate of real growth					
RB net requirements		-30.9%			
OB expenditures		-11.6%			
Total		-28.2%			

Table 2(b)

Technical cooperation delivery and support cost income estimates (excluding regular programme activities)

(In thousands of dollars)

	1996-1997 a/		1998-1999	
	Delivery	**Support cost income**	**Delivery**	**Support cost income**
UNDP - Main programme	46,740.0	4,862.5	55,000.0	5,500.0
- SPPD	3,849.0	1,485.0	3,000.0	1,000.0
- STS	2,530.0	1,817.0	1,600.0	1,200.0
IDF	47,341.0	5,771.3	50,000.0	6,000.0
Montreal Protocol	52,196.0	6,460.8	50,000.0	6,000.0
Trust funds and others	35,034.0	3,685.7	52,000.0	5,400.0
Total	187,690.0	24,082.3	211,600.0	25,100.0

a/ Reflects technical cooperation delivery and support cost income in 1996 and estimates for the remainder of the 1996-1997 biennium.

Table 3(a)

Proposed expenditure and income (regular and operational budgets) by Major Programme for 1998-1999 with comparative data for 1996-1997

(In thousands of dollars at US$ 1 = AS 12.90)

Major Programme	**1996-1997 approved budget** 1	**1998-1999 resource growth at 1996-1997 rates** 2	**1998-1999 resource requirements at 1996-1997 rates** 3	**Recosting to 1998-1999 rates** 4	**1998-1999 resource requirements** 5
A. Policy-making Organs			6,898.2	241.7	7,139.9
B. General Management			11,126.7	566.2	11,692.9
C. Strengthening of Industrial Capacities			47,102.0	1,648.8	48,750.8
D. Cleaner and Sustainable Industrial Development			17,579.0	588.8	18,167.8
E. Regional Programme Management			24,609.4	638.3	25,247.7
F. Technical Cooperation Management			11,990.1	496.8	12,486.9
G. Administration (gross)			46,217.2	2,159.8	48,377.0
Income			(13,463.2)	(492.1)	(13,955.3)
Administration (net)			32,754.0	1,667.7	34,421.7
Miscellaneous Income			(1,505.5)	(2.8)	(1,508.3)
Total	209,709.5	(59,155.6)	150,553.9	5,845.5	156,399.4

Table 3(b)

Proposed expenditure and income (regular budget) by Major Programme for 1998-1999 with comparative data for 1996-1997

(In thousands of dollars at US$ 1 = AS 12.90)

Major Programme	**1996-1997 approved budget 1**	**1998-1999 resource growth at 1996-1997 rates 2**	**1998-1999 resource requirements at 1996-1997 rates 3**	**Recosting to 1998-1999 rates 4**	**1998-1999 resource requirements 5**
A. Policy-making Organs			6,898.2	241.7	7,139.9
B. General Management			10,892.4	558.6	11,451.0
C. Strengthening of Industrial Capacities			38,880.6	1,368.3	40,248.9
D. Cleaner and Sustainable Industrial Development			13,369.7	454.8	13,824.5
E. Regional Programme Management			18,884.4	876.2	19,760.6
F. Technical Cooperation Management			7,567.8	279.6	7,847.4
G. Administration (gross)			43,560.5	2,010.5	45,571.0
Income			(13,463.2)	(492.1)	(13,955.3)
Administration (net)			30,097.3	1,518.4	31,615.7
Miscellaneous Income			(1,505.5)	(2.8)	(1,508.3)
Total	180,899.5	(55,814.6)	125,084.9	5,294.8	130,379.7

Table 3(c)

Proposed expenditure and income (operational budget) by Major Programme for 1998-1999 with comparative data for 1996-1997

(In thousands of dollars at US$ 1 = AS 12.90)

Major Programme	**1996-1997 approved budget** **1**	**1998-1999 resource growth at 1996-1997 rates** **2**	**1998-1999 resource requirements at 1996-1997 rates** **3**	**Recosting to 1998-1999 rates** **4**	**1998-1999 resource requirements** **5**
A. Policy-making Organs					
B. General Management			234.3	7.6	241.9
C. Strengthening of Industrial Capacities			8,221.4	280.5	8,501.9
D. Cleaner and Sustainable Industrial Development			4,209.3	134.0	4,343.3
E. Regional Programme Management			5,725.0	(237.9)	5,487.1
F. Technical Cooperation Management			4,422.3	217.2	4,639.5
G. Administration			2,656.7	149.3	2,806.0
Total	28,810.0	(3,341.0)	25,469.0	550.7	26,019.7

Table 4(a)

Proposed expenditure and income (regular and operational budgets) by major object of expenditure for 1998-1999 with comparative data for 1996-1997

(In thousands of dollars at US$ 1 = AS 12.90)

Major object of expenditure	1996-1997 approved budget 1	1998-1999 resource growth at 1996-1997 rates 2	1998-1999 resource requirements at 1996-1997 rates 3	Recosting to 1998-1999 rates 4	1998-1999 resource requirements 5
Expenditure					
100 Staff costs	156,240.1	(48,412.0)	107,828.1	2,915.7	110,743.8
200 Official travel	4,380.2	(1,572.5)	2,807.7	103.3	2,911.0
300 Contractual services	764.2	(63.9)	700.3	31.0	731.3
400 General operating expenses	27,643.9	(12,530.0)	15,113.9	1,262.3	16,376.2
500 Supplies and materials	1,019.0	(175.1)	843.9	62.0	905.9
600 Acquisition of furniture and equipment	1,598.8	(783.9)	814.9	64.4	879.3
700 EDP non-staff costs	6,483.1	(2,465.0)	4,018.1	286.6	4,304.7
800 Technical cooperation and IDDA	16,833.7	(3,797.4)	13,036.3	567.7	13,604.0
900 Other expenditures	24,093.6	(3,734.2)	20,359.4	1,047.4	21,406.8
Total expenditure	239,056.6	(73,534.0)	165,522.6	6,340.4	171,863.0
Income					
100 Staff costs	11,080.6	(6,202.8)	4,877.8	(310.1)	4,567.7
200 Official travel	6.3	(3.0)	3.3		3.3
300 Contractual services					
400 General operating expenses	15,866.5	(7,538.7)	8,327.8	782.5	9,110.3
500 Supplies and materials	233.2	(135.5)	97.7	7.1	104.8
600 Acquisition of furniture and equipment	539.1	(384.5)	154.6	12.5	167.1
700 EDP non-staff costs	0.7	(0.7)			
800 Technical cooperation					
900 Other expenditures	15.3	(13.3)	2.0	0.1	2.1
Miscellaneous income	1,605.4	(99.9)	1,505.5	2.8	1,508.3
Total income	29,347.1	(14,378.4)	14,968.7	494.9	15,463.6
Total estimates	209,709.5	(59,155.6)	150,553.9	5,845.5	156,399.4

Table 4(b)

Proposed expenditure and income (regular budget) by major object of expenditure for 1998-1999 with comparative data for 1996-1997

(In thousands of dollars at US$ 1 = AS 12.90)

Major object of expenditure	1996-1997 approved budget a/ 1	1998-1999 resource growth at 1996-1997 rates 2	1998-1999 resource requirements at 1996-1997 rates 3	Recosting to 1998-1999 rates 4	1998-1999 resource requirements 5
Expenditure					
100 Staff costs	131,056.4	(47,722.8)	83,333.6	2,404.3	85,737.9
200 Official travel	3,150.7	(917.5)	2,233.2	77.0	2,310.2
300 Contractual services	733.0	(32.7)	700.3	31.0	731.3
400 General operating expenses	26,637.4	(11,923.5)	14,713.9	1,249.3	15,963.2
500 Supplies and materials	860.0	16.1	843.9	62.0	905.9
600 Acquisition of furniture and equipment	1,314.2	(499.3)	814.9	64.4	879.3
700 EDP non-staff costs	5,567.6	(1,549.5)	4,018.1	286.6	4,304.7
800 Technical cooperation and IDDA	16,833.7	(3,797.4)	13,036.3	567.7	13,604.0
900 Other expenditures	24,093.6	(3,734.2)	20,359.4	1,047.4	21,406.8
Total expenditure	210,246.6	(70,193.0)	140,053.6	5,789.7	145,843.3
Income					
100 Staff costs	11,080.6	(6,202.8)	4,877.8	(310.1)	4,567.7
200 Official travel	6.3	(3.0)	3.3		3.3
300 Contractual services					
400 General operating expenses	15,866.5	(7,538.7)	8,327.8	782.5	9,110.3
500 Supplies and materials	233.2	(135.5)	97.7	7.1	104.8
600 Acquisition of furniture and equipment	539.1	(384.5)	154.6	12.5	167.1
700 EDP non-staff costs	0.7	(0.7)			
800 Technical cooperation					
900 Other expenditures	15.3	(13.3)	2.0	0.1	2.1
Miscellaneous income	1,605.4	(99.9)	1,505.5	2.8	1,508.3
Total income	29,347.1	(14,378.4)	14,968.7	494.9	15,463.6
Total estimates	180,899.5	(55,814.6)	125,084.9	5,294.8	130,379.7

a/ IDDA merged with 800.

Table 4(c)

Proposed expenditure (operational budget) by major object of expenditure for 1998-1999 with comparative data for 1996-1997

(In thousands of dollars at US$ 1 = AS 12.90)

Major object of expenditure	1996-1997 approved budget 1	1998-1999 resource growth at 1996-1997 rates 2	1998-1999 resource requirements at 1996-1997 rates 3	Recosting to 1998-1999 rates 4	1998-1999 resource requirements 5
Expenditure					
100 Staff costs	25,183.7	(689.2)	24,494.5	511.4	25,005.9
200 Official travel	1,229.5	(655.0)	574.5	26.3	600.8
300 Contractual services	31.2	(31.2)			
400 General operating expenses	1,006.5	(606.5)	400.0	13.0	413.0
500 Supplies and materials	159.0	(159.0)			
600 Acquisition of furniture and equipment	284.6	(284.6)			
700 EDP non-staff costs	915.5	(915.5)			
800 Technical cooperation and IDDA					
900 Other expenditures					
Total expenditure	28,810.0	(3,341.0)	25,469.0	550.7	26,019.7

Table 5

Posts established under the regular and operational budgets 1996-1997 and 1998-1999 a/

A. Total UNIDO

	1996			1997			1998			1999		
	RB	**OB**	**Total**	**RB**	**OB**	**Total**	**RB**	**OB**	**Total**	**RB**	**OB**	**Total**
Professional and above												
Director-General	1		1	1		1	1		1	1		1
Director	34	3	37	34	3	37	30		30	30		30
P-5	81	20	101	81	20	101	70	14	84	69	14	83
P-4	86	22	108	85	22	107	62	31	93	60	31	91
P-3/2	76	16	92	76	16	92	57	13	70	57	13	70
NPO								10	10		10	10
Subtotal	278	61	339	277	61	338	220	68	288	217	68	285
General Service												
Principal level	17	1	18	17	1	18	10	1	11	10	1	11
Other levels	391	102	493	384	102	486	315.5	107	422.5	203.5	107	310.5
Subtotal	408	103	511	401	103	504	325.5	108	433.5	213.5	108	321.5
GRAND TOTAL	686	164	**850**	678	164	**842**	545.5	176	**721.5**	430.5	176	**606.5**

a/ 1996-1997 has been adjusted by the posts abolished during 1996-1997 as part of the implementation of the contingency plans (GC.6/Dec.11(e)).

Table 5 *(continued)*

Posts established under the regular and operational budgets 1996-1997 and 1998-1999

B. Headquarters a/

	1996			1997			1998			1999		
	RB	**OB**	**Total**	**RB**	**OB**	**Total**	**RB**	**OB**	**Total**	**RB**	**OB**	**Total**
Professional and above												
Director-General	1		1	1		1	1		1	1		1
Director	33		33	33		33	26		26	26		26
P-5	75	13	88	75	13	88	54	14	68	53	14	67
P-4	86	22	108	85	22	107	62	22	84	60	22	82
P-3/2	76	16	92	76	16	92	57	12	69	57	12	69
Subtotal	271	51	322	270	51	321	200	48	248	197	48	245
General Service												
Principal level	17	1	18	17	1	18	10	1	11	10	1	11
Other levels	375	82	457	368	82	450	295.5	77	372.5	183.5	77	260.5
Subtotal	392	83	475	385	83	468	305.5	78	383.5	193.5	78	271.5
GRAND TOTAL	663	134	**797**	655	134	**789**	505.5	126	**631.5**	390.5	126	**516.5**

C. Field Offices

	1996			1997			1998			1999		
	RB	**OB**	**Total**	**RB**	**OB**	**Total**	**RB**	**OB**	**Total**	**RB**	**OB**	**Total**
Professional and above												
Director	1	3	4	1	3	4	4		4	4		4
P-5	6	7	13	6	7	13	16		16	16		16
P-4								9	9		9	9
P-3/2								1	1		1	1
NPO								10	10		10	10
Subtotal	7	10	17	7	10	17	20	20	40	20	20	40
General Service												
Other levels	16	20	36	16	20	36	20	30	50	20	30	50
Subtotal	16	20	36	16	20	36	20	30	50	20	30	50
GRAND TOTAL	23	30	**53**	23	30	**53**	40	50	**90**	40	50	**90**

a/ "Headquarters" includes UNIDO Offices at New York and Geneva.

MAJOR PROGRAMME A: POLICY-MAKING ORGANS

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	1,353.6	24.3	1,377.9
Official travel	27.2	0.7	27.9
Contractual services	364.5	21.5	386.0
General operating expenses	74.0	2.4	76.4
Other expenditures	5,078.9	192.8	5,271.7
Total resources	6,898.2	241.7	7,139.9

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	3.7	3.7	7.4
General Service	3.7	3.7	7.4
Total	7.4	7.4	14.8

By Programme

		Staffing P	Staffing GS	Regular and operational budgets	Technical cooperation	TOTAL
A.1.	Meetings of Policy-making Organs			5,766.7		5,766.7
A.2.	Secretariat of Policy-making Organs and Protocol	7.4	7.4	1,373.2		1,373.2
A.	Total Major Programme	7.4	7.4	7,139.9		7,139.9

Objective

A.1. The objective of the Major Programme is to provide the framework for determining the guiding principles, policies and budgetary resources of the Organization.

Composition

A.2. The Major Programme comprises two Programmes:

A.1: Meetings of Policy-making Organs
A.2: Secretariat of Policy-making Organs and Protocol

Programme A.1: Meetings of Policy-making Organs

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	63.8	0.3	64.1
Contractual services	364.5	21.5	386.0
General operating expenses	56.0	1.8	57.8
Other expenditures	5,067.1	191.7	5,258.8
Total resources	5,551.4	215.3	5,766.7

By Subprogramme

	Staffing		Regular and operational budgets	Technical cooperation	TOTAL
	P	GS			
A.1.1. General Conference			1,563.4		1,563.4
A.1.2. Industrial Development Board			2,612.4		2,612.4
A.1.3. Programme and Budget Committee			1,590.9		1,590.9
A.1. Total Programme			5,766.7		5,766.7

Objective

A.3. The objective of the Programme is to provide the forums for the sessions of the principal and subsidiary bodies of UNIDO's policy-making organs - including regular and special sessions, as well as intersessional meetings - which provide guidelines and policy directives to the Secretariat on the functions and activities of the Organization as set out under Article 2 of the Constitution.

Composition

A.4. The Programme comprises three Subprogrammes:

A.1.1: General Conference
A.1.2: Industrial Development Board
A.1.3: Programme and Budget Committee

Subprogramme A.1.1: General Conference

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	14.6	0.1	14.7
General operating expenses	32.4	1.4	33.8
Other expenditures	1,456.7	58.2	1,514.9
Total resources	1,503.7	59.7	1,563.4

Objective

A.5. The General Conference, being one of the three principal organs of UNIDO under Article 7.1 of the Constitution, determines the guiding principles and policies of the Organization. The objective of the Subprogramme is to ensure the direct guidance of the Member States of UNIDO to the primary objective of the Organization: the promotion and acceleration of industrial development in the developing countries and countries with economies in transition.

Activities and outputs

A.6. In 1998-1999, the Subprogramme will have one session (the eighth) of the General Conference for a total of five working days, comprising plenary, main committee and geographical group meetings. The eighth session of the General Conference will be held in Vienna. In the event that the Conference is held at another site, the additional costs involved will be met by the host Government.

A.7. A document providing a compilation of resolutions and decisions adopted by the General Conference will be issued.

Resources

A.8. The resource requirements for the eighth session of the General Conference comprise services provided by UNOV for languages and documentation, interpretation and meetings planning. Provision is also made for general temporary assistance and overtime, printing, hospitality, and rental and maintenance of equipment for documentation prepared during the session.

A.9. Resources have been kept at the same levels as the budgets proposed at 10 per cent reduction (PBC.13/14/1).

A.10. In continuation of the practices introduced in 1996-1997, the length and volume of documentation to be submitted to the Conference will be reduced to the extent possible.

Subprogramme A.1.2: Industrial Development Board

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	24.6	0.1	24.7
Contractual services	364.5	21.5	386.0
General operating expenses	12.1	0.3	12.4
Other expenditures	2,112.9	76.4	2,189.3
Total resources	2,514.1	98.3	2,612.4

Objective

A.11. The Industrial Development Board is a principal organ of UNIDO comprising 53 members elected by the General Conference in accordance with Article 9.1 of the Constitution. As in the case of the General Conference, the objective of the Subprogramme is to ensure the direct guidance by its members to the primary objective of the Organization: the promotion and acceleration of industrial development in the developing countries and countries with economies in transition.

Activities and outputs

A.12. Pursuant to decision IDB.5/Dec.46, three sessions of the Board are normally held during a biennium comprising 15 working days of meetings. In view of the need to achieve budget savings, a reduced number of working days (10) for the regular sessions of the Board is proposed. This may be achieved by holding two sessions during the biennium in accordance with the Constitution or alternatively through a reduction in the number of days per meeting. Pursuant to Article 7.3 of the Constitution, the Board may decide to establish intersessional working groups. In this case, the financial implications will have to be assessed against resource availability. A report will be issued on each session of the Industrial Development Board for submission to the eighth session of the General Conference.

A.13. The Board's functions, which are governed by Article 9 of the Constitution, are to oversee and review the activities of the Organization between sessions of the General Conference and to report to the General Conference on its work.

Resources

A.14. The resource requirements for the Industrial Development Board sessions comprise services provided by UNOV for languages and documentation, interpretation and meetings planning. Provision is also made for external audit, general temporary assistance and overtime, printing, hospitality, and rental and maintenance of equipment for documentation prepared during the session. Efforts will be made to further reduce the length and volume of documentation in the light of the curtailed budgetary resources.

A.15. Resources have been kept at the same levels as the budgets proposed at 10 per cent reduction (PBC.13/14/1).

Subprogramme A.1.3: Programme and Budget Committee

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	24.6	0.1	24.7
General operating expenses	11.5	0.1	11.6
Other expenditures	1,497.5	57.1	1,554.6
Total resources	1,533.6	57.3	1,590.9

Objective

A.16. In accordance with Article 7.2 of the Constitution, the Programme and Budget Committee is a subsidiary organ of the Industrial Development Board, comprising 27 members elected by the General Conference. The objective of the Subprogramme is to assist the Industrial Development Board in the preparation and examination of the Organization's programme of work, its regular and operational budgets and other financial matters pertaining to the Organization as indicated in Article 10.4 of the Constitution.

Activities and outputs

A.17. The Committee will hold two sessions during 1998-1999 for a total of 10 working days. The functions of the Programme and Budget Committee are governed by Article 10, paragraph 4 of the Constitution. A report will be issued on each of the sessions and submitted to the Industrial Development Board.

Resources

A.18. The resource requirements for the Committee sessions comprise language and documentation services provided by UNOV, interpretation and meetings planning. Provision is also made for general temporary assistance and overtime, printing, hospitality, and rental and maintenance of equipment for documentation prepared during the session.

A.19. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), resource reductions in language and documentation services will be achieved through fewer and more concise documents.

Programme A.2: Secretariat of Policy-making Organs and Protocol

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	1,289.8	24.0	1,313.8
Official travel	27.2	0.7	27.9
General operating expenses	18.0	0.6	18.6
Other expenditures	11.8	1.1	12.9
Total resources	1,346.8	26.4	1,373.2

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	3.7	3.7	7.4
General Service	3.7	3.7	7.4
Total	7.4	7.4	14.8

Objective

A.20. The objective of the Programme is to provide secretariat services, under the guidance of the Secretary to the Policy-making Organs and through effective coordination of meeting arrangements and documentation, to all sessions of the policy-making organs and working groups established by those organs. It also maintains general external relations with Member States, ensures protocol procedures and practices in respect of, *inter alia*, high-level visits of government officials and accreditation of members of permanent missions.

Activities and outputs

A.21. The Programme will provide effective arrangements for meetings of the Policy-making Organs, including liaison with Governments and permanent missions, issuing notifications and registration of delegations, the preparation and monitoring of pre-, in- and post-session documentation, assisting the elected officials of the sessions, servicing all working groups and identifying follow-up action to all decisions and resolutions. The Programme will also issue and maintain an updated directory of permanent missions and the directory of intergovernmental organizations having a relationship agreement with UNIDO.

Resources

A.22. In addition to staff resource allocations to the Programme, funds for travel of the Secretary to the Policy-making Organs are included. Provision is also made for printing and communications.

A.23. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have been reduced by one Professional and one General Service post. While the objectives, activities and outputs of the Programme remain basically unchanged, their quality and timeliness will be affected, particularly in the area of protocol.

MAJOR PROGRAMME B: GENERAL MANAGEMENT

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	7,454.2	383.6	7,837.8
Consultants	98.0	4.3	102.3
Meetings	70.0	1.9	71.9
Official travel	381.0	10.1	391.1
Contractual services	161.0	5.5	166.5
General operating expenses	524.4	33.6	558.0
Supplies and materials	65.4	4.4	69.8
Acquisition of furniture & equipment	7.0	0.5	7.5
EDP non-staff costs	142.8	10.8	153.6
IDDA supplementary	278.0	12.5	290.5
Other expenditures	1,710.6	91.4	1,802.0
Regular budget	10,892.4	558.6	11,451.0
Operational budget (OB)			
Staff costs	226.1	7.4	233.5
General operating expenses	8.2	0.2	8.4
Operational budget	234.3	7.6	241.9
Total resources	11,126.7	566.2	11,692.9

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	19.7	19.7	39.4
General Service	21.7	21.7	43.4
Total	41.4	41.4	82.8

By Programme

		Staffing P	 GS	Regular and operational budgets	Technical cooperation	TOTAL
B.1.	Executive Direction and Management	6.0	10.0	2,392.5		2,392.5
B.2.	Internal Audit	4.0	4.0	758.2		758.2
B.3.	Legal	6.0	6.0	1,183.9		1,183.9
B.4.	Policy Coordination and Strategic Planning	8.8	8.8	1,834.4		1,834.4
B.5.	United Nations System Coordination and Liaison	6.4	6.4	2,684.5		2,684.5
B.6.	Public Relations and Information	8.2	8.2	2,839.4		2,839.4
B.	Total Major Programme	39.4	43.4	11,692.9		11,692.9

Objective

B.1. The objective of the Major Programme, within the scope of the constitutional objectives of UNIDO and pursuant to the decisions of policy-making organs, is to provide effective strategic guidance and control to the Organization and to ensure efficient operational and financial management. It is also responsible for maintaining close relations with Governments, with intergovernmental and non-governmental organizations and with the organizations of the United Nations system. The Major Programme also exercises the public relations and information function of UNIDO with a view to enhancing the knowledge and awareness of the role and activities of UNIDO among its constituencies.

Composition

B.2. The Major Programme comprises six programmes:

B.1: Executive Direction and Management
B.2: Internal Audit
B.3: Legal Service
B.4: Policy Coordination and Strategic Planning
B.5: United Nations System Coordination and Liaison
B.6: Public Relations and Information

Programme B.1: Executive Direction and Management

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	1,667.0	46.7	1,713.7
Consultants	40.0	1.8	41.8
Meetings	70.0	1.9	71.9
Official travel	174.1	5.0	179.1
General operating expenses	14.6	0.5	15.1
EDP non-staff costs	142.8	10.8	153.6
Other expenditures	205.8	11.5	217.3
Total resources	2,314.3	78.2	2,392.5

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	3	3	6
General Service	5	5	10
Total	8	8	16

Objective

B.3. The objective of the Programme is to ensure the effective overall management, planning, policy guidance and coordination of and resource allocation to the activities of UNIDO.

Activities and outputs

B.4. As the chief executive officer of the Organization, the Director-General will direct the work of the Organization and provide policy direction, guidance and coordination to the Major Programmes of the Organization in the execution of their activities. He will discharge functions entrusted to him under the Constitution of UNIDO and by the legislative organs of the Organization. In the United Nations system-wide coordinating bodies, in particular the Administrative Committee on Coordination, he will represent the Organization and exercise a central coordinating function in respect of industrial development activities within the United Nations system.

Resources

B.5. In addition to staff resources allocated to the Programme, consultant resources will be required for the review of global trends in industrial and technological development, development of new initiatives, and strategies and advisory services on specialized programmes and activities. Expert group meetings will advise the Director-General on emerging industrial issues and initiatives for global industrial partnerships. Travel resources will cover the costs of official visits by the Director-General to Member States and participation in the United Nations system-wide coordination and policy meetings. Provision is made for representation and housing allowances of the Director-General, communications, and language and documentation services. Provision has also been made for temporary assistance, overtime, printing, electronic data processing, career development training and library for the entire Major Programme.

B.6. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have remained at the same level, but reductions have been made for general temporary assistance, electronic data processing and library services.

Programme B.2: Internal Audit

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	704.6	23.3	727.9
Official travel	20.0	0.4	20.4
General operating expenses	9.7	0.2	9.9
Total resources	734.3	23.9	758.2

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	2	2	4
General Service	2	2	4
Total	4	4	8

Objective

B.7. The objective of the Programme is to advise the Director-General on the means to ensure the effectiveness of the Organization's internal control framework with regard to: (a) economy, efficiency and effectiveness of operations; (b) reliability and adequacy of financial and operational information; (c) compliance with the Constitution as well as the Organization's regulations, rules, policies, instructions and procedures; and (d) safeguarding the funds and assets of the Organization. The Programme pursues this objective through an independent and systematic review and assessment function covering all operations of the Organization, including those in the field and supported by a network of audit focal points throughout the Organization.

Activities and outputs

B.8. During the biennium, the Programme will focus its activities on the following areas:

01: Management audits and inspections of selected programmes, services, systems, procedures, field offices and divisional operations;

02: Audits of selected projects focusing on project management systems;

03: Review of newly developed guidelines and procedures, including the electronic data processing systems;

04: Financial audits required by agreements with other VIC-based agencies on the catering and major repair fund;

05: Investigation of adherence to administrative and financial rules and regulations;

06: Coordination and liaison with respect to the External Auditor and the Joint Inspection Unit.

B.9. Each audit assignment or other activity carried out will be documented in an audit report and audit observations containing recommendations for follow-up by management and staff.

Resources

B.10. In addition to the staff resources allocated to the Programme, travel resources will be required to carry out audits of field offices and field projects. Provision is also made for communications.

B.11. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have been reduced by one Professional post and reductions have been made in communications. While the objectives, activities and outputs of the Programme have been maintained, the extent and timeliness of the audit coverage will be reduced.

Programme B.3: Legal Service

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	902.4	13.4	915.8
Official travel	12.0	0.3	12.3
Contractual services	4.0		4.0
General operating expenses	9.7	0.2	9.9
Regular budget	928.1	13.9	942.0
Operational budget (OB)			
Staff costs	226.1	7.4	233.5
General operating expenses	8.2	0.2	8.4
Operational budget	234.3	7.6	241.9
Total resources	1,162.4	21.5	1,183.9

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	3	3	6
General Service	3	3	6
Total	6	6	12

Objective

B.12. The objective of the Programme is to contribute to the efficient conduct of the affairs of the Organization based on its internal legal provisions, as well as on the rules applicable to its relations with Governments, organizations, enterprises and individuals; to safeguard and defend the legal claims and interests of the Organization; and to assist, through the provision of legal support and advice, in the pursuit of the objectives of the Organization.

Activities and outputs

B.13. The Programme will provide legal services, advice and assistance on all matters relating to the Organization with a view to promoting the rule of law in the activities of the Organization and defending its legal interests, positions and rights. During the biennium, the Programme will focus its activities on the following areas:

01: Preparation and negotiation of treaties and international agreements to be concluded by UNIDO and discharging the depositary functions of the Director-General, under the regulations issued pursuant to Article 102 of the United Nations Charter;

02: General legal services and advice will be furnished regarding the Constitution, personnel and financial regulations and rules, relations of the Organization with other legal entities or third parties, including contractual relations, questions of liability, claims and internal administrative law questions;

03: The Programme will represent the Director-General in cases brought before the Administrative Tribunals of ILO or the United Nations;

04: The Programme will support UNIDO programmes by providing legal advice on technical cooperation activities, including agreements on different sources of financing, cooperative arrangements with non-governmental and private sector entities, contractual services and administrative rules and regulations. It will also advise and formulate legal arrangements on new modalities for financing and executing projects, such as those funded by regional development financing institutions, the Multilateral Fund for the Implementation of the Montreal Protocol, the World Bank, GEF, IDF special-purpose contributions, trust funds and voluntary contributions from non-governmental sources;

05: Legal support will be provided for the elaboration of new arrangements for UNIDO offices and centres in the field and the formulation of related agreements with host Governments;

06: Legal support will also be provided in connection with the growing development of information technology products generated by the Organization and the need to establish model agreements for licensing and distribution of such products.

Resources

B.14. In addition to the staff resources allocated to the Programme, travel resources will be required to participate in coordination meetings convened by the Legal Counsel of the United Nations or the Legal Advisers of specialized agencies on an ad hoc basis, to represent the organization before the Administrative Tribunals of the ILO or the United Nations, and to participate in the negotiation of agreements to be concluded by UNIDO with Member States or intergovernmental organizations. Provision is also made for communications and for the acquisition of information through an external database.

B.15. Staff and non-staff resources have been kept at the same levels as in the budgets proposed at 10 per cent reduction, except for a minor reduction in communications.

Programme B.4: Policy Coordination and Strategic Planning

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	1,622.6	46.2	1,668.8
Consultants	8.0	0.3	8.3
Official travel	72.0	1.9	73.9
General operating expenses	26.3	0.9	27.2
Other expenditures	54.6	1.6	56.2
Total resources	1,783.5	50.9	1,834.4

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	4.4	4.4	8.8
General Service	4.4	4.4	8.8
Total	8.8	8.8	17.6

Objective

B.16. The objective of the Programme is to develop and coordinate medium- and long-term policies, strategies and priorities of UNIDO in a changing global industrial environment and in response to changing patterns of demand for UNIDO services within the framework of the functions and structure of the United Nations system. It is responsible for elaborating priorities and related resource allocations in the medium-term programme framework and the biennial programme and budgets in accordance with legislative mandates and the strategic objectives of the Organization.

Activities and outputs

B.17. During the biennium, the Programme will focus its activities on the following areas:

01: Review, in close cooperation with other Programmes, emerging trends in international industrial development and cooperation and assess their implications for the future role, functions and services of UNIDO;

02: Provide policy advice on and assist in formulating, implementing and assessing long- and medium-term strategies and priorities for inclusion in the medium-term programme framework, the biennial programmes and budgets and the related documents of UNIDO;

03: Keep under review the functions, priorities and operational policies, as well as the organizational and staff structure of the Organization, and recommend changes and reforms as necessary;

04: Act as a focal point for and participate in the system-wide policy and decision-making processes of the General Assembly, the Economic and Social Council, the Executive Board of UNDP and other intergovernmental and inter-agency committees as appropriate and provide guidance on the preparation of UNIDO positions for presentation to those bodies and committees;

05: Determine the principles and policies of the Organization's cooperation with non-governmental organizations (NGOs) and formulate the UNIDO position in the ongoing efforts of the United Nations system to enhance its cooperation with civil society;

06: Guide the substantive work of organizational units responsible for strategic planning, programme and funds management, quality assurance and evaluation.

Resources

B.18. In addition to the staff resources allocated, the Programme requires funds for consultancy services to provide advice on strategic planning and policy issues. Travel resources will be used for attending international conferences and other events relevant for the Organization's work programme, as well as meetings of the United Nations, its coordinating bodies, the Executive Board of UNDP and other relevant inter-agency events. Provision is also made for communications, and language and documentation services.

B.19. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have been reduced by one Professional post and reductions have been made in consultants, communications, and language and documentation services. While the objectives, activities and outputs of the Programme remain basically unchanged, their quantity, quality and timeliness will be affected.

Programme B.5: United Nations System Coordination and Liaison

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	1,229.3	204.3	1,433.6
Official travel	50.8	1.2	52.0
Contractual services	2.2		2.2
General operating expenses	439.3	30.9	470.2
Supplies and materials	18.1	0.9	19.0
Other expenditures	666.3	41.2	707.5
Total resources	2,406.0	278.5	2,684.5

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	3.2	3.2	6.4
General Service	3.2	3.2	6.4
Total	6.4	6.4	12.8

Objective

B.20. The objective of the Programme is to provide and maintain an effective channel of communication with the United Nations, the specialized agencies and other intergovernmental organizations based in Geneva and in New York and coordinate UNIDO activities with the same by participating in their technical and functional meetings and working groups, as well as representing UNIDO in the meetings of their policy-making organs. It also provides UNIDO with a regular channel of communication with Member States accredited to UNIDO, in particular through their Permanent Missions based in Geneva.

B.21. The Programme also forges inter-agency cooperation and serves as a catalyst for the promotion of specific multisectoral or multidisciplinary inter-agency activities, keeping abreast of policies, programmes and activities of other United Nations organizations, as well as providing support function to Headquarters.

Activities and outputs

B.22. During the biennium, the Programme will focus its activities on the following areas:

01: Provide Headquarters promptly and continuously with information on developments in the United Nations, its funds and programmes and the specialized agencies that are of relevance to the activities and programmes of UNIDO;

02: Provide a direct and continuous channel of communication with States accredited to UNIDO, particularly through their missions in Geneva, as well as with intergovernmental organizations;

03: Represent UNIDO in the meetings of policy-making organs of the United Nations and their specialized agencies;

04: Represent the Secretariat in working groups and inter-agency task forces; analyse the various agencies' programmes and identify activities which could lead to cooperation, complementarity or harmonization;

05: Collect and disseminate information and promote new initiatives;

06: Provide substantive and administrative support to UNIDO staff on mission.

B.23. In the 1998-1999 biennium, special emphasis will be placed on strengthening synergies within the United Nations system at policy levels and reinforcing UNIDO's active participation in the context of the greater role assigned to the Economic and Social Council and the General Assembly in the overall guidance of developmental activities, as foreseen in the proposals of the Secretary-General for reform.

Resources

B.24. In addition to the staff resources allocated to the Programme, travel resources will be required to attend meetings of policy-making organs and consultations at Headquarters, and for meetings with multilateral financing institutions. Provision has been made for rental and maintenance of premises, supplies and materials, and communications in respect of the UNIDO offices. Provision is also made for general temporary assistance, overtime, printing, hospitality and language and documentation services, and for UNIDO's share in funding the United Nations system-wide joint activities.

B.25. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have been reduced by one Professional post and contribution to the United Nations system-wide joint activities will be reduced. While the objectives, activities and outputs of the Programme remain basically unchanged, their quantity, quality and timeliness will be affected.

Programme B.6: Public Relations and Information

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	1,328.3	49.7	1,378.0
Consultants	50.0	2.2	52.2
Official travel	52.1	1.3	53.4
Contractual services	154.8	5.5	160.3
General operating expenses	24.8	0.9	25.7
Supplies and materials	47.3	3.5	50.8
Acquisition of furniture & equipment	7.0	0.5	7.5
IDDA supplementary	278.0	12.5	290.5
Other expenditures	783.9	37.1	821.0
Total resources	2,726.2	113.2	2,839.4

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	4.1	4.1	8.2
General Service	4.1	4.1	8.2
Total	8.2	8.2	16.4

Objective

B.26. The objective of the Programme is to articulate and project the public image of UNIDO by consistently and proactively reaching out to diverse target groups, such as the media, representatives of Member States, policy makers, industrial sector representatives and the general public. It thus contributes to make the Organization open, transparent and accessible and ensures that information provided is based on comprehensive and consistent messages that project a clearly recognizable corporate image. Complementary to the promotion of the public image of UNIDO, the Programme also aims at creating public awareness in both developed and developing countries on the importance of sustainable industrial development. It furthermore conveys to the constituencies of UNIDO information on UNIDO's role as a global forum, as well as the impact of UNIDO's services at the national, regional and global level.

Activities and outputs

B.27. During the biennium, the Programme will focus its activities on the following areas:

01: Media relations: The Programme will encourage the coverage of industrial development issues and the work of UNIDO by establishing and maintaining contacts with international and local information media, organizing interviews, press briefings and conferences and handling day-to-day requests for information. It will also monitor the quality of news media coverage and coordinate media activities to be undertaken by the field network of UNIDO;

02: Public affairs: The Programme will initiate and coordinate public affairs campaigns in a structured and strategic manner with a view to enhancing the image of UNIDO and creating awareness about its services. The public affairs activities will be oriented to representatives of Member States, policy makers, industrial sector representatives, academia, policy research institutes, NGOs and the media; and

03: Information products: The Programme will:

(a) Produce information material that enhances both external and internal communications, such as general newsletters, brochures and information kits for use by all organizational units;

(b) Manage the Internet pages related to public information activities of UNIDO;

(c) Prepare and disseminate audiovisual information material;

(d) Coordinate, promote and prepare displays and exhibitions.

Resources

B.28. In addition to the staff resources allocated, the Programme requires consultant funds to advise on design, layout and related requirements of public information and publication products. Travel funds will be needed to attend inter-agency and international meetings of JUNIC and to support senior management of UNIDO at priority events and other missions. Public information services will be required for audiovisual services, computer graphic studio work, footage purchases, video clips, etc. Provision has been made for public information supplies, public information equipment, joint activities provided by JUNIC and IDDA supplementary activities to ensure a comprehensive public information programme on UNIDO activities in Africa. Provision is also made for general temporary assistance, overtime, printing, communications, and language and documentation services.

B.29. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have been reduced by two Professional posts and one General Service post. Reductions have been made in the areas of contractual services, IDDA supplementary activities, supplies, communications, and language and documentation services. While the objectives, activities and outputs of the Programme remain basically unchanged, the ability to provide adequate coverage and impact will be seriously affected.

MAJOR PROGRAMME C: STRENGTHENING OF INDUSTRIAL CAPACITIES

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	24,126.8	720.6	24,847.4
Consultants	771.0	31.8	802.8
Meetings	307.0	7.8	314.8
Official travel	587.4	13.9	601.3
Contractual services	134.0	3.2	137.2
General operating expenses	384.0	13.7	397.7
EDP non-staff costs	986.9	72.0	1,058.9
Technical cooperation	4,045.8	171.2	4,217.0
IDDA supplementary	4,381.7	198.5	4,580.2
Other expenditures	3,156.0	135.6	3,291.6
Regular budget	38,880.6	1,368.3	40,248.9
Operational budget (OB)			
Staff costs	7,790.3	267.0	8,057.3
Consultants	42.0	2.0	44.0
Official travel	184.1	4.5	188.6
General operating expenses	205.0	7.0	212.0
Operational budget	8,221.4	280.5	8,501.9
Total RB/OB	47,102.0	1,648.8	48,750.8
Technical cooperation (non-RB)			116,900.0
Total resources			165,650.8

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	99.2	99.2	198.4
General Service	80.4	80.4	160.8
Total	179.6	179.6	359.2

By Programme

	Staffing		Regular and operational budgets	Technical cooperation	TOTAL
	P	GS			
C.1. Industrial Investment, Technology and Information	72.0	64.0	15,342.9	38,600.0	53,942.9
C.2. Industrial Policies and Strategies	40.0	34.0	9,444.8	11,700.0	21,144.8
C.3. Institutional Capacity-building	48.0	26.0	9,903.3	38,000.0	47,903.3
C.4. Integrated Agro-industry Development	29.2	22.2	5,565.7	24,500.0	30,065.7
C.5. Other Sectoral Capacity-building	2.8	3.0	586.6	4,100.0	4,686.6
C.6. Regular Programme of Technical Cooperation			4,217.0		4,217.0
C.7. Direction and Management	6.4	11.6	3,690.5		3,690.5
C. Total Major Programme	198.4	160.8	48,750.8	116,900.0	165,650.8

Objective

C.1. The objective of the Major Programme is to support developing countries and countries with economies in transition in laying the foundations and strengthening their capacities for long-term sustained industrial growth and development, thus contributing critically to alleviating poverty and creating industrial employment through establishing viable industrial structures and competitive productive capacities.

Composition

C.2. The Major Programme comprises seven Programmes:

C.1: Industrial Investment, Technology and Information
C.2: Industrial Policies and Strategies
C.3: Institutional Capacity-building
C.4: Integrated Agro-industry Development
C.5: Other Sectoral Capacity-building
C.6: Regular Programme of Technical Cooperation
C.7: Direction and Management

Programme C.1: Industrial Investment, Technology and Information

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	8,318.5	277.8	8,596.3
Consultants	267.0	10.2	277.2
Meetings	143.0	3.3	146.3
Official travel	146.5	3.4	149.9
Contractual services	30.0	0.7	30.7
General operating expenses	127.0	4.8	131.8
IDDA supplementary	1,510.6	68.5	1,579.1
Other expenditures	936.1	41.2	977.3
Regular budget	11,478.7	409.9	11,888.6
Operational budget (OB)			
Staff costs	3,163.5	120.5	3,284.0
Official travel	83.5	2.1	85.6
General operating expenses	81.8	2.9	84.7
Operational budget	3,328.8	125.5	3,454.3
Total RB/OB	14,807.5	535.4	15,342.9
Technical cooperation (non-RB)			38,600.0
Total resources	14,807.5	535.4	53,942.9

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	36	36	72
General Service	32	32	64
Total	68	68	136

By Subprogramme

		Staffing		Regular and operational budgets	Technical cooperation	TOTAL
		P	GS			
C.1.1.	Investment Promotion and Technology Transfer	41.4	32.0	8,762.3		8,762.3
C.1.2.	Technological Capacity-building	14.6	14.0	3,447.0		3,447.0
C.1.3.	Industrial Information and Networking	16.0	18.0	3,133.6		3,133.6
C.1.	Total Programme	72.0	64.0	15,342.9		15,342.9

Objective

C.3. The objective of the Programme is to support enhanced flows of industrial investment and technology to developing countries and countries with economies in transition, to strengthen related domestic policy and institutional capacities, to promote general technological capabilities as a precondition for effective absorption of foreign investment inflows and to facilitate access to information sources on industrial technologies and investment opportunities.

C.4. During the biennium, the Programme will devote special efforts to effectively linking investment and technology-related activities at Headquarters and in the field. Activities will be concentrated in countries, and regions within countries, which have so far not, or only insufficiently, benefited from market-driven flows of investment and technology resources.

Composition

C.5. The Programme comprises three Subprogrammes:

C.1.1: Investment Promotion and Technology Transfer
C.1.2: Technological Capacity-building
C.1.3: Industrial Information and Networking

Subprogramme C.1.1: Investment Promotion and Technology Transfer

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	4,377.7	143.6	4,521.3
Consultants	80.0	2.4	82.4
Official travel	50.0	1.1	51.1
General operating expenses	71.8	2.8	74.6
IDDA supplementary	1,510.6	68.5	1,579.1
Other expenditures	286.3	12.6	298.9
Regular budget	6,376.4	231.0	6,607.4
Operational budget (OB)			
Staff costs	1,982.8	72.0	2,054.8
Consultants			
Official travel	48.0	1.2	49.2
General operating expenses	49.0	1.9	50.9
Operational budget	2,079.8	75.1	2,154.9
Total resources	8,456.2	306.1	8,762.3

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	20.7	20.7	41.4
General Service	16	16	32
Total	36.7	36.7	73.4

Objective

C.6. The objective of the Subprogramme is to promote industrial development in developing countries and countries with economies in transition through facilitating their access to investment and technology resources as well as through supporting their efforts in upgrading indigenous capabilities in these fields.

Activities and outputs

C.7. During the biennium, the Subprogramme will focus its activities on the following areas:

01: Strengthening of policy and institutional capacities related to investment promotion and technology transfer, with emphasis on:

(a) Advisory services to Governments and industrial institutions in the formulation, implementation and assessment of promotional policies and strategies;

(b) Technical cooperation in the establishment and/or strengthening of local investment promotion agencies with special emphasis on African countries under IDDA resources;

(c) Capacity-building, through skills upgrading and training workshops, in investment project identification, appraisal and promotion, with special emphasis on participants from LDCs.

02: Developing and implementing integrated investment promotion and technology transfer programmes in developing countries and countries with economies in transition with special emphasis on low-income countries, and particularly on African countries under IDDA resources:

(a) These integrated programmes, in cooperation with other United Nations organizations such as UNCTAD and global and regional development finance institutions, will cover all phases of the investment cycle, from project identification to the formulation, screening and appraisal of proposals, as well as the actual promotion through various types of investment and technology fora, including their follow-up in terms of facilitating project negotiations and securing project financing;

(b) Special efforts will be geared to developing innovative and targeted programme orientations, including a focus on: cleaner production, specific industrial sectors of priority importance for recipient countries, underdeveloped provinces and municipalities (follow-up to HABITAT II), region-to-region business partnerships (as a pilot programme), and special private-public sector partnerships (such as the build-operate-transfer (BOT) mechanism).

03: Directing and managing existing Investment Promotion Service Offices (IPSOs) and developing new focal points and/or units (approximately five to be newly established) to promote investment and technology projects by identifying foreign partners and providing related services as well as coordinating the delegates programme;

04: Maintaining existing mechanisms, tools and publications for investment and technology transfer.

Resources

C.8. In addition to the staff resources allocated to the Subprogramme, consultant funds will be required for the formulation of environmental/industrial sector-related new integrated investment and technology promotion programmes, promotion of the IPS network and development of new strategies for cooperation with development finance institutions, formulation of international business cooperation and partnership arrangements, upgrading of computerized management tools, preparation of Intechmarts and revision of UNIDO BOT guidelines and databank. Travel funds will be required for developing and promoting new concepts for integrated investment and technology promotion programmes, formulation of related technical cooperation projects and directing and monitoring IPS offices and/or focal points. Printing funds will be required for training and promotional material, investors guides and promotion packages, as well as manuals. Provision is made for IDDA supplementary activities for the mobilization of domestic and foreign direct investments. Provision is also made for communications, and language and documentation services.

C.9. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have been reduced by two Professional posts. Reductions have been made in IDDA supplementary activities, communications, and language and documentation services. As a result, activities in support of IPSOs and for the upgrading of existing and development of new mechanisms, tools and publications for investment and technology transfer will be considerably reduced. The further expansion of the IPS network through establishing new IPS offices would no longer be possible.

Subprogramme C.1.2: Technological Capacity-building

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	1,709.4	61.0	1,770.4
Consultants	131.0	5.6	136.6
Meetings	75.0	1.3	76.3
Official travel	80.0	1.9	81.9
General operating expenses	25.8	0.9	26.7
Other expenditures	616.0	26.0	642.0
Regular budget	2,637.2	96.7	2,733.9
Operational budget (OB)			
Staff costs	667.8	28.4	696.2
General operating expenses	16.4	0.5	16.9
Operational budget	684.2	28.9	713.1
Total resources	3,321.4	125.6	3,447.0

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	7.3	7.3	14.6
General Service	7	7	14
Total	14.3	14.3	28.6

Objective

C.10. The objective of the Subprogramme is to assist institutions and, through the upgraded support rendered by these institutions, industrial enterprises in recipient countries in their efforts towards identification, development, adaptation and commercialization of industrial technologies, thereby reducing investment risks and enhancing the absorptive capacity for investments.

Activities and outputs

C.11. During the biennium, the Subprogramme will focus its activities on the following areas:

> 01: Advisory services on technology policies and technology management, including monitoring of technological trends of special relevance to developing countries and support to the management of research and development (R and D) activities with emphasis on market needs, commercialization potential and international competitiveness;
>
> 02: Support to governments, R and D institutions and private sector associations in the strengthening of indigenous capacities (including through technology parks and business incubators) and networks for technological innovation in industry, giving particular attention to institution-building and restructuring, human resources development, benchmarking and the industrial application of available generic technologies, such as biotechnology and new materials;
>
> 03: Implementing the UNIDO programme on specialized international technology centres which, through international collaboration and the development of strategic alliances, provide a mechanism for effectively linking technology promotion with investment opportunities.

Resources

C.12. International technology centres established by UNIDO include the International Centre for Science and High Technology (ICS), the International Centre for Application of Solar Energy (CASE) and the now autonomous International Centre for Genetic Engineering and Biotechnology (ICGEB).

C.13. In addition to the staff resources allocated to the Subprogramme, consultant funds will be required for preparation of teaching modules and training material on technology transfer and negotiation, guidelines on effective management of technology parks and business incubators, technical papers on industrial applications of emerging technologies and advice on commercialization of selected technology areas within the framework of UNIDO global technology centres. Meeting funds will be used for expert discussion on new strategies and action plans for technological capacity-building in developing countries. Travel funds will be required for the development and formulation of technical cooperation programmes and projects; directing and monitoring existing global technology centres and participating in events related to the promotion of emerging technologies. Printing funds, and language and documentation services will be used for teaching modules, guidelines, promotional materials, publications on emerging technologies and other relevant documentation. Provision is also made for communications.

C.14. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have been reduced by three Professional posts and one General Service post. Reductions have also been made in communications, and language and documentation services. As a result, the establishment of new international technology centres can no longer be pursued, and the volume and quality of services in the areas of technology policy and institutional capacity-building would be reduced.

Subprogramme C.1.3: Industrial Information and Networking

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	2,231.4	73.2	2,304.6
Consultants	56.0	2.2	58.2
Meetings	68.0	2.0	70.0
Official travel	16.5	0.4	16.9
Contractual services	30.0	0.7	30.7
General operating expenses	29.4	1.1	30.5
Other expenditures	33.8	2.6	36.4
Regular budget	2,465.1	82.2	2,547.3
Operational budget (OB)			
Staff costs	512.9	20.1	533.0
Consultants			
Official travel	35.5	0.9	36.4
General operating expenses	16.4	0.5	16.9
Operational budget	564.8	21.5	586.3
Total resources	3,029.9	103.7	3,133.6

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	8	8	16
General Service	9	9	18
Total	17	17	34

Objective

C.15. The objective of the Subprogramme is to support the investment and technology services as well as other programmes of UNIDO through the provision and networking of relevant industrial information in a coherent, synergetic and coordinated manner. The Subprogramme will also build up sustainable national and regional information networks and related capabilities to meet the technology, investment and business information needs of industries in developing countries and countries with economies in transition.

Activities and outputs

C.16. During the biennium, the Subprogramme will focus its activities on the following areas:

01: Establishing a global information network for investment and technology promotion with emphasis on the needs of small and medium industries, comprising UNIDO IPS offices, national investment promotion agencies in developing countries, existing and emerging national/international technology centres, industrial information services, and subcontracting exchanges;

02: Integrating all UNIDO information and networking services and their on-line provision via UNIDO's business World Wide Web site through establishing a UNIDO electronic exchange (e-mart) on technology and investment partnerships, thereby providing substantive support to Intechmarts and other fora in ensuring easy access to investment and technology project profiles;

03: Developing and implementing integrated regional industrial information programmes consisting of regional and national technical cooperation projects. Special emphasis will be placed on:

(a) Upgrading skills of information specialists in providing information, brokering and other value added services to industry, business and Governments;

(b) Enhancing the effectiveness of the regional information programmes through INTIB regional meetings, and an INTIB Advisory Group meeting.

Resources

C.17. In addition to the staff resources allocated to the Subprogramme, consultant funds will be used for advisory services on developing and upgrading information service networks. Meeting funds are required for four INTIB regional meetings to review and enhance the effectiveness of the networks and one meeting of the INTIB Advisory Group. Travel funds will be required for promoting INTIB and attendance of regional, international and inter-agency conferences. Printing funds will be required for the publication of the directory on Industrial Information Sources on Technology and Investment, for promotional material on networking activities and documentation for meetings of INTIB. Funds for contractual services are required to cover the cost of analysing, indexing and abstracting UNIDO documents and integrating those inputs into the INDIS database and Internet. Provision is also made for communications, and language and documentation services.

C.18. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have been reduced by one Professional post and one General Service post. Reductions have also been made in consultants, communications, and language and documentation services. As a result, activities in the areas of support to sectoral and SMI networks, the International Referral System and electronic access to information on global human resource development will be reduced or discontinued.

Programme C.2: Industrial Policies and Strategies

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	6,271.8	154.9	6,426.7
Consultants	346.5	15.6	362.1
Meetings	64.0	1.8	65.8
Official travel	113.0	3.0	116.0
Contractual services	104.0	2.5	106.5
General operating expenses	93.3	3.5	96.8
IDDA supplementary	1,000.0	45.4	1,045.4
Other expenditures	808.5	30.9	839.4
Regular budget	8,801.1	257.6	9,058.7
Operational budget (OB)			
Staff costs	1,001.9	29.8	1,031.7
General operating expenses	32.6	1.1	33.7
Operational budget	1,034.5	30.9	1,065.4
Total RB/OB	9,835.6	288.5	10,124.1
Technical cooperation (non-RB)			11,700.0
Total resources	9,835.6	288.5	21,824.1

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	22	22	44
General Service	19	19	38
Total	41	41	82

By Subprogramme

		Staffing P	 GS	Regular and operational budgets	Technical cooperation	TOTAL
C.2.1.	Industrial Analysis and Policy Advice	30.0	20.0	7,132.7		7,132.7
C.2.2.	Industrial Statistics	14.0	18.0	2,991.4		2,991.4
C.2.	Total Programme	44.0	38.0	10,124.1		10,124.1

Objective

C.19. The objective of the Programme is to carry out UNIDO's global forum function in the field of industrial strategies and policies through the provision of support for developing countries and countries with economies in transition in formulating and implementing such policies and strategies.

C.20. The Programme will also develop indicators for industrial performance benchmarking as well as reliable, internationally comparable industrial statistics of developing countries and countries with economies in transition.

C.21. The Programme integrates action-oriented studies and industrial analyses with direct policy advisory and technical cooperation services.

Composition

C.22. The Programme comprises two Subprogrammes:

C.2.1: Industrial Analysis and Policy Advice
C.2.2: Industrial Statistics

Subprogramme C.2.1: Industrial Analysis and Policy Advice

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	3,769.0	101.8	3,870.8
Consultants	280.0	12.7	292.7
Meetings	64.0	1.8	65.8
Official travel	68.0	1.9	69.9
Contractual services	104.0	2.5	106.5
General operating expenses	64.0	2.4	66.4
IDDA supplementary	1,000.0	45.4	1,045.4
Other expenditures	762.7	29.0	791.7
Regular budget	6,111.7	197.5	6,309.2
Operational budget (OB)			
Staff costs	775.8	22.4	798.2
General operating expenses	24.4	0.9	25.3
Operational budget	800.2	23.3	823.5
Total resources	6,911.9	220.8	7,132.7

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	15	15	30
General Service	10	10	20
Total	25	25	50

Objective

C.23. The objective of the Subprogramme is to support sustained industrial development through creating a conducive enabling environment, formulating and implementing industrial policies and strategies as well as performance benchmarking, based on action-oriented industrial studies and analyses at the country, regional and global level.

Activities and outputs

C.24. During the biennium, the Subprogramme will focus its activities on the following areas:

01: Building capacities for the formulation and implementation of industrial policies and strategies by undertaking:

(a) Comparative analyses of cross-country experiences and international best practices of industrial development policies and strategies for promoting competitiveness, enhancing productivity, and promoting domestic and foreign investment. In this context, a major study mandated in General Assembly resolution 51/170 will be carried out by UNIDO, in cooperation with other relevant United Nations agencies. A global information base will be established to identify and assess appropriate industrial policies and strategies for specific country circumstances;

(b) Support programmes, at the country level, for interactive policy formulation by public decision makers and private industry, with special emphasis on African countries under IDDA resources;

(c) Support to (sub-) regional integration arrangements with a view to better integrating industrial structures and promoting industrial cooperation;

(d) Monitoring emerging trends at the international level regarding industrial implications of WTO agreements and other trade-, investment- and competition-related agreements and supporting developing countries in the required adjustments of their industrial policies.

02: Industrial development of regions within countries:

(a) A support programme based on best practices in regional industrial development policies, including strengthening links between universities, research institutions and industry;

(b) Capacity-building through technical cooperation programmes for regional development, including special programmes on different institutional mechanisms: establishment of business incubators; guidelines for the establishment of industrial zones and parks; schemes for self-assessment and self-improvement of industrial estates, science and technology parks;

(c) Development of a methodology to assess the performance of specific industrial processes in selected regions against appropriate benchmarks and social parameters, and formulation of improvement programmes;

(d) Direct advisory services upon request.

03: Sectoral surveys in support of UNIDO technical cooperation activities:

(a) Surveys of major sectors of industry with a view to identifying their development potential, critical support and human resource development requirements and policy options for enhancing performance. Special attention will be given to agro-related industries in African countries and LDCs, and the needs of both public and private sector decision makers;

(b) An expert group meeting and policy seminars to review progress and devise policy and other measures in support of the development of industrial priority sectors in Africa in the framework of the Alliance for Africa's Industrialization.

04: Debate on global industrial issues:

(a) Analyses of major issues in global industrial development with emphasis on the priority themes and geographical focus - Africa and LDCs - of UNIDO with a view to providing industrial policy and strategy advice;

(b) Preparation of one focused and topical flagship report on global industry;

(c) A support programme in cooperation with Subprogramme C.2.2 (Industrial Statistics) to develop a system of UNIDO Industrial Indicators to provide a comparative assessment of levels of industrial development and to monitor industrial development trends.

Resources

C.25. In addition to the staff resources allocated to the Subprogramme, consultant funds will be required for analyses of current industrial policy trends, good practices in regional policies, establishment of a regional typology; developing and adapting data collection and methodology for international benchmarking, data and analyses for international, country and industrial sector surveys, industrial policy studies and selected studies on emerging trends and issues related to global industrial development. Meeting funds are required for expert meetings on appropriate policy instruments for regional industrial development policies, for assessing global economic and industrial trends and to review the progress of key industrial sectors in Africa in the light of the objectives of the Alliance for Africa's Industrialization and in connection with the preparation of Industrial Sector Surveys. Travel funds will be required for project formulation missions, for representing UNIDO at high level meetings and conferences, particularly on regional industrial development and on managed workspace, for carrying out UNIDO's global forum function, to consult with international organizations, cooperating research organizations, donor countries and recipient Governments on new programme initiatives and to review progress in studies with external consultants. Printing funds and language and documentation services will be needed for the annual flagship publications on global industry and for other studies and publications issued by the Subprogramme. Provision is made for the IDDA supplementary activities to assist in interactive policy formulation. Provision is also made for communications and miscellaneous expenditures.

C.26. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have been reduced by five Professional posts and two General Service posts. Reductions have also been made in IDDA supplementary activities, communications, and language and documentation services. As a result, the Organization can no longer address the social implications of the industrial restructuring process, nor carry out ad hoc studies in response to specific requests from policy-making organs on pressing industrial development issues and challenges. The quantity and quality of other activities and outputs will also be affected.

Subprogramme C.2.2: Industrial Statistics

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	2,502.8	53.1	2,555.9
Consultants	66.5	2.9	69.4
Official travel	45.0	1.1	46.1
General operating expenses	29.3	1.1	30.4
Other expenditures	45.8	1.9	47.7
Regular budget	2,689.4	60.1	2,749.5
Operational budget (OB)			
Staff costs	226.1	7.4	233.5
General operating expenses	8.2	0.2	8.4
Operational budget	234.3	7.6	241.9
Total resources	2,923.7	67.7	2,991.4

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	7	7	14
General Service	9	9	18
Total	16	16	32

Objective

C.27. The objective of the Subprogramme is to support UNIDO's global forum function through the provision of timely, reliable and internationally comparable industrial statistics of developing countries and countries with economies in transition, the promotion of international standards related to industrial statistics, as well as technical cooperation in the production and utilization of industrial statistics.

Activities and outputs

C.28. During the biennium, the Subprogramme will focus its activities on the following areas:

01: Acquisition of industrial data:

(a) Collection, processing and presentation of industrial statistics as well as the provision of support services and technical cooperation for users of data and promotion of internationally acceptable data compilation procedures;

(b) Maintenance and updating of several statistical databases comprising various industrial and related data;

(c) Preparation of a number of regular and special publications, including the International Yearbook of Industrial Statistics, the Statistical Review of Economic Performance of Industry and UNIDO's Industrial Statistics Database Methodological Notes (one issue each).

02: Dissemination of industrial statistics:

(a) Development of systems for integrating industrial statistics into useable databases and user-friendly statistical products and services for public distribution, as well as provision of supporting inputs for UNIDO's technical cooperation programmes and promotion of international recommendations regarding the utilization of industrial statistics;

(b) Development of computerized systems for the storage of statistical data in machine readable form;

(c) A wide range of statistical products and services, including simple self-service products; standard off-the-shelf products and service packages; and more complex, tailor-made services;

(d) Preparation of training materials for UNIDO staff at Headquarters and in the field for the use of data utilization software;

(e) Technical cooperation services to strengthen national capacities in the collection, processing and analysis of industrial statistics.

03: Statistical research and development:

(a) Methodological support for the above activities;

(b) Applied research in the field of industrial statistics as well as analyses to turn data into useful information, in particular the development of indicators of sustainable development;

(c) A variety of methodological publications, including Manual on Conducting National Industrial Surveys, Manual on Industrial Accounts and Thirty Years of Industrial Statistics.

Resources

C.29. In addition to the staff resources allocated to the Subprogramme, consultant funds are required for the preparation of Manuals on Industrial Accounts and the Manual on Conducting Industrial Surveys, the development of improved statistical and computerized systems for data storage, retrieval and dissemination, and for the development of indicators on sustainable development and industrial competitiveness. Travel funds are required to attend regular inter-agency meetings on statistical activities. Provision is also made for communications, printing, and language and documentation services.

C.30. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have been reduced by one Professional post and one General Service post. Reductions have been made in consultants, communications, printing, and language and documentation services. As a result, specialized statistical publications and selected methodological publications will be discontinued.

Programme C.3: Institutional Capacity-building

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	4,600.1	126.5	4,726.6
Consultants	90.1	3.8	93.9
Meetings	100.0	2.7	102.7
Official travel	55.3	1.4	56.7
General operating expenses	79.1	2.9	82.0
IDDA supplementary	1,486.1	67.3	1,553.4
Other expenditures	690.0	24.7	714.7
Regular budget	7,100.7	229.3	7,330.0
Operational budget (OB)			
Staff costs	1,696.0	59.3	1,755.3
Consultants	42.0	2.0	44.0
Official travel	51.0	1.5	52.5
General operating expenses	40.8	1.4	42.2
Operational budget	1,829.8	64.2	1,894.0
Total RB/OB	8,930.5	293.5	9,224.0
Technical cooperation (non-RB)			38,000.0
Total resources	8,930.5	293.5	47,224.0

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	22	22	44
General Service	11	11	22
Total	33	33	66

By Subprogramme

	Staffing		Regular and operational budgets	Technical cooperation	TOTAL
	P	GS			
C.3.1. Small and Medium Industry and Private Sector Development	28.0	14.0	5,641.3		5,641.3
C.3.2. Quality, Standardization and Metrology	16.0	8.0	3,582.7		3,582.7
C.3. Total Programme	44.0	22.0	9,224.0		9,224.0

Objective

C.31. The objective of the Programme is to carry out UNIDO's global forum function through the creation of a conducive environment for the development of a competitive, private sector-driven industrial sector based on small and medium industries supported by enhanced institutional and human capacities in the areas of quality, standardization and metrology.

C.32. The Programme is an explicit recognition of the critical role of small and medium enterprises and quality requirements for the sustained development of industry and the private sector.

Composition

C.33. The Programme consists of two Subprogrammes:

C.3.1: Small and Medium Industry and Private Sector Development
C.3.2: Quality, Standardization and Metrology

Subprogramme C.3.1: Small and Medium Industry and Private Sector Development

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	3,123.4	90.4	3,213.8
Consultants	18.0	0.7	18.7
Meetings	64.0	1.8	65.8
Official travel	17.0	0.4	17.4
General operating expenses	54.3	2.0	56.3
IDDA supplementary	650.0	29.4	679.4
Other expenditures	660.9	21.7	682.6
Regular budget	4,587.5	146.4	4,734.0
Operational budget (OB)			
Staff costs	765.3	28.6	793.9
Consultants	42.0	2.0	44.0
Official travel	51.0	1.5	52.5
General operating expenses	16.4	0.5	16.9
Operational budget	874.7	32.6	907.3
Total resources	5,462.3	179.0	5,641.3

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	14	14	28
General Service	7	7	14
Total	21	21	42

Objective

C.34. The objective of the Subprogramme is to create a framework conducive to the development of a vibrant, competitive private industrial sector through the accelerated growth of small and medium industries (SMIs).

C.35. The Subprogramme is particularly aimed at institutional support required for sound private-sector-based industrial development, especially as a follow-up to the recent HABITAT II Conference. The core of the Subprogramme is devoted to the development of SMIs, especially through the promotion of best practices, improved governance and the creation of clusters and decentralized networks of SMIs.

Activities and outputs

C.36. During the biennium, the Subprogramme will focus its activities on the following areas:

01: SMI policies, strategies and programmes with emphasis on:

(a) Establishment of a network of institutions and experts to provide information, advisory services, training and research on SMI-related issues, including the development research network and an electronic communication platform. Under the IDDA resources, special emphasis will be given to networking rural industry development institutes in Africa;

(b) A series of expert group meetings to identify and disseminate best practices in SMI development;

(c) Technical cooperation programmes to improve the governance of the SMI sector - particularly the cooperation between government and the private sector - as well as to establish decentralized institutions and associations for providing access to markets and knowledge in addition to learning programmes on organization, management and marketing techniques.

02: Subsectoral SMI clusters:

(a) Preparation of action-oriented reports on development trends, approaches and measures in the field of SMI clusters;

(b) Meetings of the Advisory Group on UNIDO's SMI High Impact Programme: "Strategies to promote competitive and innovative SMI clusters";

(c) Technical cooperation programmes to promote and support the organization and development of innovative and competitive SMI clusters, including the training of staff in the public and private sectors, with special emphasis on African countries under IDDA resources.

03: Institutional support:

(a) Development of a framework - including policy manuals, guidelines and training workshops - for a gender mainstreaming policy and strategy;

(b) Technical cooperation programmes to build up national consulting capacities in the area of industrial organization, management and marketing as well as the establishment and networking of subcontracting exchanges;

(c) Direct advice and support programmes for associations of industries, chambers of commerce and other industrial organizations to enhance capacities to render quality services to clients and members.

Resources

C.37. In addition to the staff resources allocated to the Subprogramme, consultant funds will be required for organizing a network of institutions and experts and to establish an electronic platform for information, advisory services and training and research on SMI-related issues. Funds will also be required for developing learning programmes for new entrepreneurs, for policy papers on SMI development, building up national consulting capacities and for mainstreaming of gender issues. Meeting funds are needed for analysing and disseminating best practices in SMIs and for the Advisory Group on the SMI High Impact Programme. Travel funds will be used for participation in key meetings and donor conferences related to promotion of SMI programmes, gender mainstreaming and for giving support to the research network. Printing funds will be needed for dissemination of results and experience from the SMI programme to member countries, particularly to LDCs and African countries. Funds under IDDA supplementary activities will develop comprehensive strategies for promoting competitiveness of small and medium industries. Provision is also made for communications, miscellaneous, and language and documentation services.

C.38. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have been reduced by four Professional posts and three General Service posts. Reductions have also been made in IDDA supplementary activities, communications, and language and documentation services. As a result, special activities in support of rural and urban industrial development will be discontinued.

Subprogramme C.3.2: Quality, Standardization and Metrology

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	1,476.7	36.1	1,512.8
Consultants	72.1	3.1	75.2
Meetings	36.0	0.9	36.9
Official travel	38.3	1.0	39.3
General operating expenses	24.8	0.9	25.7
IDDA supplementary	836.1	37.9	874.0
Other expenditures	29.1	3.0	32.1
Regular budget	2,513.1	82.9	2,596.0
Operational budget (OB)			
Staff costs	930.7	30.7	961.4
General operating expenses	24.4	0.9	25.3
Operational budget	955.1	31.6	986.7
Total resources	3,468.2	114.5	3,582.7

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	8	8	16
General Service	4	4	8
Total	12	12	24

Objective

C.39. The objective of the Subprogramme is to build appropriate institutional and human capacities in the areas of quality, standardization and metrology (QSM) thereby enhancing productivity and competitiveness as well as safety and consumer protection.

C.40. The Subprogramme will have the dual role of fulfilling one of the most important global forum functions of UNIDO as well as providing technical cooperation with accreditation, standardization and metrology bodies and industrial institutions to bring them up to international standards and enable industries in developing countries and countries with economies in transition to compete successfully in global markets.

Activities and outputs

C.41. During the biennium, the Subprogramme will focus on the following areas:

01: Providing a global forum on standards and metrology:

(a) Surveys and expert group meetings on the need to enhance capacities to meet ISO standards, labels and marks;

(b) In this context, establishment and maintenance of a data bank.

02: Establishing and upgrading standardization and metrology bodies, and testing facilities:

(a) Direct advisory services on industrial and legal metrology standards as well as on the design and implementation of compulsory standards and quality requirements;

(b) Technical cooperation programmes for the design and operation of QSM bodies and testing laboratories and harmonization of standards for subregional markets.

03: Assisting accreditation bodies to achieve multilateral agreement on recognition of measurement laboratories and certificates for ISO 9000 and ISO 14000 standards:

(a) In this context , as a partner to ISO and the International Accreditation Forum (IAF), UNIDO will support the facilitation and promotion of multilateral agreements among developed and developing countries and countries with economies in transition, *inter alia*, through: pre-audit of accreditation bodies, establishment and operation of accreditation schemes and bodies as well as accreditation of laboratories, mutual recognition of measurement certificates, capacity-building and training for implementation of ISO guides 25, 61 and 62.

04: Directly assisting industrial institutions to strengthen their capacity to provide support for continuous improvement, total quality management as well as implementation of ISO 9000 and ISO 14000 labels, certification and conformity marks:

(a) Quality and management surveys and diagnostic analyses;

(b) Capacity-building and institutional strengthening of industry associations, standardization bodies, chambers of commerce and other industrial support institutions;

(c) Establishment and operation of certification schemes and the development of software packages and other supportive business tools and methodologies;

(d) Technical cooperation programmes for training lead-auditors, lead-assessors and internal auditors and other staff for implementation of ISO standards.

C.42. This Subprogramme is among the priorities of IDDA. Under IDDA resources, awareness programmes for African industry and Governments on ISO 9000 and ISO 14000 requirements will be conducted; relevant information on international standards will be disseminated; local facilities, equipment and legislative frameworks for standards and legal metrology will be assessed and technical barriers to trade for African manufacturers identified; and institutional and human capacities enhanced for the introduction of total quality management and continuous improvement methodologies.

Resources

C.43. In addition to the staff resources allocated to the Subprogramme, consultant funds will be required for standards, metrology and accreditation, including expertise on software packages and methodologies for business decision-making. One expert group meeting will be organized in order to review progress and agree on methodologies for the pre-auditing scheme of accreditation bodies. Travel funds will be required for representing UNIDO at high level international meetings and conferences on quality, standardization and metrology, and for negotiations and cooperation with partner organizations, as well as for programme formulation missions. Printing funds will be required for disseminating the results of the Subprogramme and for promoting UNIDO as a partner for accreditation bodies in developing countries in their attempts to achieve international recognition as a prerequisite for competitiveness. Provision is made for IDDA supplementary activities for increasing quality, competitiveness and safety of African industries, and reducing the effects of technical barriers to trade originating from international standards and regulations. Provision is also made for communications and miscellaneous expenditures.

C.44. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have been reduced by three Professional posts and two General Service posts. Reductions have also been made in IDDA supplementary activities. While the objectives, activities and outputs of the Subprogramme remain basically unchanged, their quantity, quality and timeliness will be affected.

Programme C.4: Integrated Agro-industry Development

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	2,994.2	91.2	3,085.4
Consultants	55.4	1.8	57.2
Official travel	117.6	2.2	119.8
General operating expenses	44.4	1.6	46.0
IDDA supplementary	385.0	17.3	402.3
Regular budget	3,596.6	114.1	3,710.7
Operational budget (OB)			
Staff costs	1,709.1	48.8	1,757.9
Official travel	49.6	0.9	50.5
General operating expenses	45.0	1.6	46.6
Operational budget	1,803.7	51.3	1,855.0
Total RB/OB	5,400.3	165.4	5,565.7
Technical cooperation (non-RB)			24,500.0
Total resources	5,400.3	165.4	30,065.7

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	14.6	14.6	29.2
General Service	11.1	11.1	22.2
Total	25.7	25.7	51.4

By Subprogramme

	Staffing P	Staffing GS	Regular and operational budgets	Technical cooperation	TOTAL
C.4.1. Agro-industries	20.8	17.6	3,971.3		3,971.3
C.4.2. Agro-support Industries	8.4	4.6	1,594.4		1,594.4
C.4. Total Programme	29.2	22.2	5,565.7		5,565.7

Objective

C.45. The objective of the Programme is to support developing countries and countries with economies in transition, especially those in Africa and the least developed countries, in their endeavours to enhance the value-added of their agricultural resources through industrial processing, and by fostering linkages, in particular with various agro-support industries, integrate agro-industries better into overall industrial structures, thus maximizing their impact on employment creation and poverty alleviation.

Composition

C.46. The Programme comprises two Subprogrammes:

C.4.1: Agro-industries
C.4.2: Agro-support industries

Subprogramme C.4.1: Agro-industries

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	2,040.9	69.5	2,110.4
Consultants	39.4	1.4	40.8
Official travel	81.6	1.8	83.4
General operating expenses	29.3	1.1	30.4
IDDA supplementary	200.0	9.0	209.0
Regular budget	2,391.2	82.8	2,474.0
Operational budget (OB)			
Staff costs	1,374.1	35.3	1,409.4
Consultants			
Official travel	49.6	0.9	50.5
General operating expenses	36.0	1.4	37.4
Operational budget	1,459.7	37.6	1,497.3
Total resources	3,850.9	120.4	3,971.3

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	10.4	10.4	20.8
General Service	8.8	8.8	17.6
Total	19.2	19.2	38.4

Objective

C.47. The objective of the Subprogramme is to support the developing countries, in particular those in Africa and the least developed countries, in achieving sustainable development of the most important sectors of agro-industry, thus contributing to increased domestic processing as well as enhanced export potentials of their agricultural and related natural resources.

C.48. Specifically, the Subprogramme is aimed at contributing to increasing food availability, safety and quality within United Nations system-wide efforts to fight hunger and malnutrition, supporting sustainable development of the leather sector and enhancing competitiveness and export capabilities of natural rubber-based products, enhancing capacities in textiles and garment manufacturing, linking manufacturing with forestry and primary wood processing, promoting economically and environmentally sustainable pulp and paper industries, enhancing competitiveness and export capabilities of natural rubber-based products, and enhancing the sustainable utilization of abundant natural plant resources.

Activities and outputs

C.49. During the biennium, the Subprogramme will focus its activities on the following areas:

01: Food processing:

(a) Technical cooperation and advisory services will support the development and implementation of sound subsectoral development strategies. Emphasis will be given to increasing the competitiveness of the food industry through capacity-building for higher product quality and safety, enhanced domestic value added, development of human resources, particularly women, and better local absorption of transferred technology. Particular attention will be given to the identification of investment opportunities for subsequent promotional efforts under Subprogramme C.1.1. Practices to reduce post-harvest losses will be promoted and the production capacity of appropriate food for malnourished population segments will be enhanced. With a view to introducing the concept of environmental sustainability in the most polluting food industries (sugar, meat, fisheries, dairy, fermentation, etc.), the Subprogramme will seek to increase energy efficiency and biomass utilization, and promote clean technologies, waste minimization, the efficient use of by-products and waste treatment.

02: Leather and rubber processing and products:

(a) Technical cooperation and advisory services will support the development and implementation of sound subsectoral strategies, addressing in an integrated manner issues of productivity and competitiveness, environmental legislation, eco-labelling, and Occupational Safety and Health (OSH) at work. Decision makers and senior managers will be trained in these areas (by using, *inter alia*, a new handbook and software for simulation of sectoral development scenarios as well as through dedicated workshops), and model tanneries and waste treatment plants for OSH demonstration will be established.

(b) The Subprogramme will further promote the transfer and application of adequate technologies for appropriate preservation, collection, standardized classification and grading of raw hides and skins, as well as cleaner leather processing methods, treatment of tannery wastes and utilization of by-products. Industrial scale demonstration units will be established for this purpose. Assistance will also be rendered and service and training centres created and/or upgraded to support efforts, particularly of African countries, to develop marketing strategies for leather products;

(c) The Subprogramme will continue to rely on the expertise and guidance of the UNIDO Leather Panel with a view to synchronizing international technical cooperation in the leather sector and will establish and support the work of an international committee on eco-labelling for leather and leather products. Footwear and leather products manufacturing enterprises, through supporting institutions, will continue to receive support for enhancing critical skill requirements. This will involve the transfer of appropriate technology and know-how for product design, productivity and quality to improve their world-wide competitive position. Special attention will be given to women entrepreneurs and labourers;

(d) Natural rubber producing countries in Africa and Asia will be supported in small and medium scale rubber processing; in strengthening related R and D centres for process and product improvement; and in quality improvements of raw materials (latex) and semi or final products, product design, machinery maintenance, etc. Specifically, capacities will be strengthened in the design and manufacturing of natural rubber-based components for earthquake protection of civil constructions, shoe components, and treatment of rubber effluents;

03: Textile and garment industries:

(a) Activities will concentrate on the development of subsectoral strategies, the promotion of cleaner technologies (including effluent treatment and recycling), the introduction and adoption of textile eco-labelling schemes, and the application of waste-reducing CAD/CAM technologies in the garment industry. In addition, new applications of jute, coir and other natural fibres will be identified and promoted. Emphasis will be given to institutional capacity-building through establishing or upgrading R and D centres and training institutions, and developing comprehensive professional and vocational training programmes addressing, *inter alia*, Total Quality Management (TQM) and manufacturing technologies. Regional workshops will train managers and technicians in performance benchmarking and productivity comparisons. Special focus will be given to building and upgrading national capacities in small-scale textile and garment manufacturing and entrepreneurship, particularly in Africa;

04: Wood processing and products:

(a) Developing countries will be supported in developing integrated and sustainable wood industry programmes addressing the entire production chain from raw material supplies to primary and secondary wood processing and marketing of wood products. Wood (together with coconut stems and bamboo) will be promoted as engineering and construction materials and harmonized timber design codes and standards will be developed at the regional, and ultimately, global level. UNIDO will also establish partnerships, especially in the manufacturing of wood and rattan furniture and other wood products, in selected countries, and exercise an overall coordination function for technical cooperation in the wood sector. A Wood Industries Advisers

05: Pulp and paper:

(a) The environmental and environmentally sound development of pulp and paper industries will be promoted with emphasis on utilization of agricultural residues and non-wood raw materials, waste paper recycling, adaptation and transfer of cleaner technologies, pollution control and institutional support to small and medium industries, including those producing handmade paper;

(b) Specifically, two large-scale projects, on sisal and abacca (funded by the Common Fund for Commodities) will be implemented and new programme concepts will be formulated for submission to potential donors. Workshops and training materials will focus on the dissemination of cleaner technologies, wood and non-wood raw materials.

06: Essential oils and aromatic and medicinal plants:

(a) Support will be rendered for the sustainable utilization of abundant plant resources for income generation, thus contributing to rural industrial development. Eco-friendly technologies will be introduced and quality assurance methods applied. Activities will focus on strengthening R and D capabilities, above all in developing competitive products, and on information dissemination, *inter alia*, through a manual on bioactivity screening and the building up of an African network on medicinal and aromatic plants as a pilot effort for creating similar networks in other developing regions.

C.50. Under IDDA resources, the Subprogramme will conduct surveys on the industrial utilization and processing of agro-resources as an input to national roundtables and investment forums.

Resources

C.51. In addition to the staff resources allocated to the Subprogramme, consultant funds will be required for further elaboration of the concept of environment sustainability in the most polluting foods industries; handbook with software for simulation of different scenarios in the sector; preparation of a series of interactive multimedia CD/ROMs covering various types of sewing machines; background documentation for the Wood Industries Advisers Group and a booklet on cleaner technologies for the pulp and paper industry. Travel funds will be used to undertake programming missions, participate in international workshops and conferences, for inter-agency consultations, meetings of the forestry advisory group, attendance of exhibitions and funds mobilization missions. Provision is made for IDDA supplementary activities for the industrial transformation of natural resources, particularly through development of agro-industries and other natural resource-based industries, and for communications.

C.52. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have been reduced by only one General Service post in view of the high priority of the Subprogramme. Objectives, activities and outputs of the Subprogramme, therefore, remain unchanged.

Subprogramme C.4.2: Agro-support Industries

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	953.3	21.7	975.0
Consultants	16.0	0.4	16.4
Official travel	36.0	0.4	36.4
General operating expenses	15.1	0.5	15.6
IDDA supplementary	185.0	8.3	193.3
Regular budget	1,205.4	31.3	1,236.7
Operational budget (OB)			
Staff costs	335.0	13.5	348.5
General operating expenses	9.0	0.2	9.2
Operational budget	344.0	13.7	357.7
Total resources	1,549.4	45.0	1,594.4

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	4.2	4.2	8.4
General Service	2.3	2.3	4.6
Total	6.5	6.5	13

Objective

C.53. The objective of the Subprogramme is to support developing countries, particularly those in Africa and the least developed countries, in strengthening those industrial subsectors which provide crucial inputs for productive and efficient agro-industries. Specifically, the Subprogramme is aimed at developing sustainable agricultural machinery industries, promoting rural development with special attention to women, assisting in the safe production and use of agro-chemicals and in the application of relevant industrial biotechnologies as well as strengthening the local manufacture of improved packaging.

Activities and outputs

C.54. During the biennium, the Subprogramme will focus its activities on the following areas:

01: Agro-machinery:

(a) Activities will be concentrated in sub-Saharan Africa, where countries will be assisted in the design, manufacture and maintenance of equipment used in crop production (including soil preparation), crop processing and irrigation, with a focus on manually powered equipment and draft animal technology. Market surveys will be undertaken to analyse demand and supply patterns and related policy issues. Subsectoral training and design centres and industrial associations will be established or strengthened and agro-machinery information networks with shared design databases will be created with a view to ensuring widest dissemination and application of relevant expertise;

(b) The concept of multipurpose platforms, as successfully developed and applied by UNIDO in the previous biennium, will be applied on a pilot basis in around 15 countries as a means to process food and non-wood forest products, and to use biofuels efficiently. In this field, cooperative links will be established between local research institutions and research institutions in developed countries.

C.55. Under IDDA resources, cooperation will be promoted among African centres of excellence for engineering industries in areas related to agro-support industries.

02: Agro-chemicals:

(a) In cooperation with WHO, FAO, UNEP and relevant NGOs, UNIDO will promote overall safety in the development of non-toxic agro-chemicals (pesticides and fertilizers) as a contribution to increased food security and quality. Through integrated safety guidelines, effluent limitation guidelines, and the strengthening and networking of local centres of excellence, relevant technologies for the selection, formulation, application and proper disposal of environment-friendly agro-chemicals will be promoted with a view to reducing health risks and ecological hazards and contributing to integrated pest management.

03: Biotechnologies:

(a) With a view to progressively replacing chemical products currently used in agricultural production, UNIDO will assist in the development and pilot-scale production of biofertilizers, botanical pesticides and biopesticides as well as microbiological processes for application in agro-processing. An integrated programme on biotechnology for cleaner agro-processing will be developed to assist Governments to formulate appropriate policies and incentives, and industries to improve process efficiency, reduce environmental impacts and better utilize waste materials, including the inherent energy potential. Information will be collated and disseminated on the industrial application of recent technological innovation in these areas. For African countries, a thematic programme (with replicability in other regions) will be developed on biomass energy for industrial development.

04: Packaging technologies:

(a) Support will be rendered to strengthen local packaging industries which in most developing countries are poorly developed, thus resulting in poor food preservation, constraining export potential and, through discarded packaging materials, contributing to urban waste and serious environmental problems. Guidelines will be formulated in compliance with relevant regulations for the selection of appropriate packaging for local, national and export markets and for the recycling of packaging materials. Technological trends in packaging industries will be monitored and relevant information disseminated. Through technical cooperation, the capacities of local packaging design and manufacturing will be strengthened and upgraded;

(b) Related international agreements, such as the Basel Convention dealing with hazardous substances and the Montreal Protocol on ozone-depleting substances will be taken into account.

Resources

C.56. In addition to the staff resources allocated to the Subprogramme, consultant funds will be required for regional and/or national market surveys on demand for and supply of agricultural machinery and related policy issues; the development of integrated safety guidelines and the preparation of a guide for the introduction of multipurpose platforms. Travel funds will be required to undertake programme and project identification and formulation, market surveys, and to participate in international/regional and inter-agency meetings on agro-chemicals. Provision is made for IDDA supplementary activities aiming at sectoral capacity-building, cooperation with African regional centres of excellence in the field of policy analysis and formulation, industrial technology development and negotiation, and for communications.

C.57. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have remained at the same level. Reductions have been made in consultants, IDDA supplementary activities and communications.

Programme C.5: Other Sectoral Capacity-building

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	286.1	7.3	293.4
Consultants	12.0	0.4	12.4
Official travel	43.0	0.8	43.8
General operating expenses	3.8		3.8
Regular budget	344.9	8.5	353.4
Operational budget (OB)			
Staff costs	219.8	8.6	228.4
General operating expenses	4.8		4.8
Operational budget	224.6	8.6	233.2
Total RB/OB	569.5	17.1	586.6
Technical Cooperation (non-RB)			4,100.0
Total resources	569.5	17.1	4,686.6

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	1.4	1.4	2.8
General Service	1.5	1.5	3
Total	2.9	2.9	5.8

By Subprogramme

	Staffing P	Staffing GS	Regular and operational budgets	Technical cooperation	TOTAL
C.5.1. Chemical Industries	1.2	1.0	224.4		224.4
C.5.2. Engineering Industries	1.6	2.0	362.2		362.2
C.5. Total Programme	2.8	3.0	586.6		586.6

Objective

Objective

C.58. The objective of the Programme is to strengthen selected basic institutional capacities for the effective promotion of chemical and engineering industries with a view to increasing their productivity and improving quality management.

Composition

C.59. The Programme comprises two Subprogrammes:

C.5.1: Chemical Industries
C.5.2: Engineering Industries

Subprogramme C.5.1: Chemical Industries

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	988	2.6	101.4
Official travel	130	0.3	13.3
General operating expenses	14		1.4
Regular budget	1132	2.9	116.1
Operational budget (OB)			
Staff costs	1028	3.1	105.9
Consultants			
General operating expenses	24		2.4
Operational budget	105.2	3.1	108.3
Total resources	218.4	6.0	224.4

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	0.6	0.6	1.2
General Service	0.5	0.5	1
Total	1.1	1.1	2.2

Objective

C.60. The objective of the Subprogramme is to strengthen institutional capacities for the promotion of chemical industries (such as industrial and fine chemicals, organic and inorganic chemicals) with a view to achieving their sustainable growth and competitiveness. The Subprogramme is particularly aimed at promoting new concepts of quality and technology management, product life-cycle development and regulatory compliance.

Activities and outputs

C.61. During the biennium, the Subprogramme will focus its activities on the following area:

> 01: Training programmes will be organized jointly with UNESCO and the International Union of Pure and Applied Chemistry (IUPAC) as well as with the participating organizations of the Inter-Organization programme for the Sound Management of Chemicals (IOMC) in the management of chemical process technologies. UNIDO will also support international initiatives aimed at reducing, through relevant information and improvement concepts, growing concerns about risks associated with chemical industries.

Resources

C.62. In addition to the staff resources allocated to the Subprogramme, travel funds will be used for attending interregional and regional inter-agency meetings. Provision is also made for communications.

C.63. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have been reduced by one Professional post and half a General Service post. Consultant funds have been deleted, and travel and communications reduced. As a result, activities in the area of essential drug programmes and the Expanded Programme of Immunization in Africa will be discontinued.

Subprogramme C.5.2: Engineering Industries

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	187.3	4.7	192.0
Consultants	12.0	0.4	12.4
Official travel	30.0	0.5	30.5
General operating expenses	2.4		2.4
Regular budget	231.7	5.6	237.3
Operational budget (OB)			
Staff costs	117.0	5.5	122.5
General operating expenses	2.4		2.4
Operational budget	119.4	5.5	124.9
Total resources	351.1	11.1	362.2

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	0.8	0.8	1.6
General Service	1	1	2
Total	1.8	1.8	3.6

Objective

C.64. The objective of the Subprogramme is to strengthen institutional capacities for the promotion of selected engineering industries, in particular tools and machine tools as well as metalworking and electronics. The activities are aimed at enhancing productivity and process quality, *inter alia*, through advances in information technologies, improving preventive and predictive maintenance, and advising enterprises, through professional associations, on product design and manufacturing.

Activities and outputs

C.65. During the biennium, the Subprogramme will focus its activities on the following area:

> 01: Upgrading the capabilities and expertise of industry institutions and associations through workshops and pilot demonstration projects, and specifically, supporting professional societies for product design, manufacturing and maintenance and establishing networks of information exchange among them.

Resources

C.66. In addition to the staff resources allocated to the Subprogramme, consultant funds will be required for survey and development of a "networking" guide for regional societies and institutions. Travel funds will be required for participation at international, regional and inter-agency meetings, project identification and formulation, programmes and project promotion. Provision is also made for communications.

C.67. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have been reduced by 1.7 Professional and 0.6 General Service posts. Reductions have also been made in consultants, staff travel and communications. As a result, assistance to industries in the area of computerized maintenance and management information systems will be discontinued.

Programme C.6: Regular Programme of Technical Cooperation

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Technical cooperation	4,045.8	171.2	4,217.0
Total resources	4,045.8	171.2	4,217.0

Objective

C.68. The objective of the Programme is to enable UNIDO to respond flexibly and effectively to the priority needs of recipient countries and to support the development of comprehensive packages of integrated services for the strengthening of industrial capacities through the strategic use of RPTC resources.

Activities and outputs

C.69. During the biennium, the activities and outputs of the Programme will be formulated on the basis of identified demand and requests received. IDDA activities will focus on the provision of technical cooperation in support of the goals of the Second IDDA and the AAI. Individual programmes and projects will be formulated in accordance with quality criteria and approval procedures established in relevant Director-General's bulletins. A consolidated description of activities foreseen during the biennium 1998-1999 is provided in a separate chapter on RPTC.

Resources

C.70. Indicative resource allocations are made to the Programme for UNIDO priority activities and for technical cooperation in support of the IDDA under the Major Programme.

C.71. As the overall resource levels for RPTC are based on 6 per cent of the regular budget, the resources available to the Programme have been reduced when compared with the 10 per cent budget reduction (PBC.13/14/1).

Programme C.7: Direction and Management

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	1,656.1	62.9	1,719.0
Official travel	112.0	3.1	115.1
General operating expenses	36.4	0.9	37.3
EDP non-staff costs	986.9	72.0	1,058.9
Other expenditures	721.4	38.8	760.2
Total resources	3,512.8	177.7	3,690.5

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	3.2	3.2	6.4
General Service	5.8	5.8	11.6
Total	9	9	18

Objective

C.72. The objective of the Programme is to provide effective management and direction to the activities of the Major Programme and to ensure effective coordination and cooperation among the component Programmes and Subprogrammes as well as with all other Programmes and Subprogrammes within UNIDO.

Activities and outputs

C.73. The main activities of the Programme are to plan and coordinate the formulation of the work programmes of the Major Programme and its components in accordance with the mandate and the objectives of the Organization and the demands and needs of Member States. It will guide, coordinate, monitor and follow up the implementation of those work programmes and in so doing will ensure the effective and efficient financial and administrative management of the Major Programme.

Resources

C.74. In addition to the staff resources allocated to the Programme, travel resources are required to participate in international and high-level conferences and inter-agency meetings, for interventions on strategic and policy issues at the field level and other high-level missions requested by the Director-General. Provision is made for hospitality and miscellaneous expenditures. Provision has also been made for general temporary assistance and overtime, electronic data processing, career development training, and library services for the entire Major Programme.

C.75. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have remained at the same level. Reductions have been made in EDP non-staff costs, career development training, communications and library services, as well as language and documentation services.

MAJOR PROGRAMME D: CLEANER AND SUSTAINABLE INDUSTRIAL DEVELOPMENT

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	9,471.5	289.0	9,760.5
Consultants	161.4	5.5	166.9
Meetings	50.0	0.8	50.8
Official travel	316.7	6.7	323.4
General operating expenses	165.5	4.5	170.0
EDP non-staff costs	275.8	20.4	296.2
Technical cooperation	2,529.0	107.0	2,636.0
IDDA supplementary	85.0	3.7	88.7
Other expenditures	314.8	17.2	332.0
Regular budget	13,369.7	454.8	13,824.5
Operational budget (OB)			
Staff costs	3,933.5	126.3	4,059.8
Consultants	28.6	1.0	29.6
Official travel	150.4	3.8	154.2
General operating expenses	96.8	2.9	99.7
Operational budget	4,209.3	134.0	4,343.3
Total RB/OB	17,579.0	588.8	18,167.8
Technical cooperation (non-RB)			94,700.0
Total resources			112,867.8

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	44.8	44.8	89.6
General Service	28.6	28.6	57.2
Total	73.4	73.4	146.8

By Programme

		Staffing		Regular and operational budgets	Technical cooperation	TOTAL
		P	GS			
D.1.	Cleaner Production	14.4	7.4	2,442.4	7,900.0	10,342.4
D.2.	Applied Environmental Technologies	22.8	15.4	3,779.7	21,500.0	25,279.7
D.3.	International Environmental Agreements	50.8	32.0	8,220.4	65,300.0	73,520.4
D.4.	Regular Programme of Technical Cooperation			2,636.0		2,636.0
D.5.	Direction and Management	1.6	2.4	1,089.3		1,089.3
D.	Total Major Programme	89.6	57.2	18,167.8	94,700.0	112,867.8

Objective

D.1. The objective of the Major Programme is to build and strengthen capacities in developing countries and countries with economies in transition to reduce and mitigate the negative environmental impact of industrial development and, through cleaner production, prevent future environmental damage and pollution, thus ultimately safeguarding the quality of the global eco-system and human health. Recipient countries will be supported in incorporating cleaner production concepts into industrial processes, monitoring the effectiveness of and applying environmental technologies, and implementing international environmental agreements.

Composition

D.2. The Major Programme comprises five Programmes:

D.1: Cleaner Production
D.2: Applied Environmental Technologies
D.3: International Environmental Agreements
D.4: Regular Programme of Technical Cooperation
D.5: Direction and Management

Programme D.1: Cleaner Production

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	892.3	28.2	920.5
Consultants	36.4	1.0	37.4
Meetings	10.0	0.1	10.1
Official travel	51.1	1.0	52.1
General operating expenses	17.2	0.2	17.4
IDDA supplementary	85.0	3.7	88.7
Regular budget	1,092.0	34.2	1,126.2
Operational budget (OB)			
Staff costs	1,231.1	19.2	1,250.3
Consultants	8.6	0.4	9.0
Official travel	25.4	0.6	26.0
General operating expenses	30.0	0.9	30.9
Operational budget	1,295.1	21.1	1,316.2
Total RB/OB	2,387.1	55.3	2,442.4
Technical cooperation (non-RB)			7,900.0
Total resources	2,387.1	55.3	10,342.4

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	7.2	7.2	14.4
General Service	3.7	3.7	7.4
Total	10.9	10.9	21.8

By Subprogramme

	Staffing P	Staffing GS	Regular and operational budgets	Technical cooperation	TOTAL
D.1.1. ESID Strategies and Capacity-building	3.0	1.2	446.1		446.1
D.1.2. Environmental Management Standards	6.0	1.2	833.0		833.0
D.1.3. National Cleaner Production Centres	5.4	5.0	1,163.3		1,163.3
D.1. Total Programme	14.4	7.4	2,442.4		2,442.4

Objective

D.3. The objective of the Programme is to build capacity in developing countries to reduce the pollution intensity of industrial processes through (i) policy incentives favouring the use of environmentally sound technologies over pollution control technologies, (ii) supporting the adoption of environmental management standards, and (iii) building institutional capacity to assist small and medium industries implement cleaner production techniques and technologies.

Composition

D.4. The Programme comprises three Subprogrammes:

- D.1.1: Environmentally Sustainable Industrial Development (ESID) Strategies and Capacity-building
- D.1.2: Environmental Management Standards
- D.1.3: National Cleaner Production Centres

Subprogramme D.1.1: ESID Strategies and Capacity-building

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	283.8	9.6	293.4
Consultants	12.0	0.3	12.3
Official travel	17.0	0.4	17.4
General operating expenses	5.4		5.4
Regular budget	318.2	10.3	328.5
Operational budget (OB)			
Staff costs	112.2	2.2	114.4
General operating expenses	3.2		3.2
Operational budget	115.4	2.2	117.6
Total resources	433.6	12.5	446.1

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	1.5	1.5	3
General Service	0.6	0.6	1.2
Total	2.1	2.1	4.2

Objective

D.5. The objective of the Subprogramme is to support Governments and industry in their joint efforts to develop and implement ESID strategies in the framework of Agenda 21.

Activities and outputs

D.6. During the biennium, the Subprogramme will concentrate its activities on the following areas:

01: Formulation and implementation of industrial components of national sustainable development strategies as requested in Agenda 21;

02: Promotion and introduction of environmental management tools, such as environmental technology assessments and negotiated industrial permits;

03: Formulation and implementation of area-wide environmental quality management plans in industrial areas causing heavy damage to the environment.

Workshops will be held and training kits prepared in these fields.

Resources

D.7. In addition to the resources allocated to the Subprogramme, consultant funds will be required to elaborate ESID strategies for small industries. Travel funds will be required for participation in the meetings of the IACSD. Provision is also made for communications.

D.8. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have been reduced by one Professional post. While the objectives, activities and outputs of the Subprogramme remain unchanged, their quantity, quality and timeliness will be affected.

Subprogramme D.1.2: Environmental Management Standards

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	282.7	7.8	290.5
Consultants	15.0	0.4	15.4
General operating expenses	5.9	0.1	6.0
Regular budget	303.6	8.3	311.9
Operational budget (OB)			
Staff costs	468.8	11.2	480.0
Official travel	25.4	0.6	26.0
General operating expenses	14.6	0.5	15.1
Operational budget	508.8	12.3	521.1
Total resources	812.4	20.6	833.0

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	3	3	6.0
General Service	0.6	0.6	1.2
Total	3.6	3.6	7.2

Objective

D.9. The objective of the Subprogramme is to contribute to environmentally sound industrial development through the application of environmental management systems (EMS) and related standards allowing industries to respond to environmental challenges in an integrated and proactive manner.

Activities and outputs

D.10. During the biennium, the Subprogramme will concentrate its activities on the following areas:

> 01: Disseminating information on and supporting the introduction of specific forms of EMS, such as the Eco-Management and Audit scheme (EMAS) of the European Union and ISO 14000;
>
> 02: Upgrading industrial associations and related bodies with training programmes and in-plant demonstrations to assist SMIs in setting up EMS;
>
> 03: Elaborating subsector specific guidelines on EMS implementation, including norms for continuous improvements in production processes and for environmental controls;
>
> 04: Supporting developing countries and countries with economies in transition in the development of appropriate concepts for eco-labelling.

Resources

D.11. In addition to the staff resources allocated to the Subprogramme, consultant funds will be required for the preparation of one subsector guideline on EMS. Travel funds will be required for promoting capacity-building in EMS and ISO 14000 standards. Provision is also made for communications.

D.12. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have remained at the same level. Reductions have been made in consultants and communications.

Subprogramme D.1.3: National Cleaner Production Centres

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	325.8	10.8	336.6
Consultants	9.4	0.3	9.7
Meetings	10.0	0.1	10.1
Official travel	34.1	0.6	34.7
General operating expenses	5.9	0.1	6.0
IDDA supplementary	85.0	3.7	88.7
Regular budget	470.2	15.6	485.8
Operational budget (OB)			
Staff costs	650.1	5.8	655.9
Consultants	8.6	0.4	9.0
General operating expenses	12.2	0.4	12.6
Operational budget	670.9	6.6	677.5
Total resources	1,141.1	22.2	1,163.3

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	2.7	2.7	5.4
General Service	2.5	2.5	5.0
Total	5.2	5.2	10.4

Objective

D.13. The objective of the Subprogramme is to facilitate the application of the concept of cleaner industrial production in developing countries and countries with economies in transition, including its incorporation in national environmental legislation and regulations, through establishing sector-wide institutional advisory capacities in the form of National Cleaner Production Centres (NCPC) and strengthening the capacity of existing similar institutions.

Activities and outputs

D.14. The NCPC programme is jointly implemented by UNIDO and UNEP, with UNIDO as the executing agency. Presently, 10 such centres are operational in the following countries: Brazil, China, the Czech Republic, Hungary, India, Mexico, the Slovak Republic, Tunisia, United Republic of Tanzania, and Zimbabwe.

D.15. During the biennium, the Subprogramme will focus its activities on the following areas:

01: Coordinating and strengthening the work of the existing NCPCs, with emphasis on policy advice, training and in-plant demonstrations and on facilitating the transfer and exchange of experience through networking and annual meetings, thus contributing to economic and technical cooperation among participating countries;

02: Expanding the NCPC network to eventually increase the total number of centres to about 20. Specifically, the establishment of new centres is planned in Croatia, Morocco and Viet Nam and a Regional Network for Cleaner Industrial Production is planned for Central America; IDDA resources will be utilized to undertake preparatory assistance for establishing additional NCPCs in African countries;

03: Organizing cleaner production demonstrations in UNIDO subsectoral technical cooperation projects and disseminating information on the results achieved in order to promote subsectoral cleaner production activities;

04: Preparing and disseminating promotional material about the NCPC concept and case studies from individual centres and preparing training kits and other reference material.

Resources

D.16. In addition to the resources allocated to the Subprogramme, consultant funds will be required to prepare service books on cleaner industrial production technologies for two key industries. Meeting funds will be required to analyse the results of Phase I of the NCPC programme and make recommendations for Phase II. Travel funds will be required for the preparatory missions for the establishment of new NCPCs; evaluation of operational National Cleaner Production Centres; organizing cleaner production demonstrations and preparatory missions for the EGM to analyse the results of Phase I of the NCPC programme and make recommendations for Phase II. Provision is also made for IDDA supplementary activities to facilitate and propagate the use of cleaner production techniques in African countries and for communications.

D.17. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have been reduced by one Professional post. Reductions have also been made in IDDA supplementary activities. While the objectives, activities and outputs of the Subprogramme remain unchanged, their quantity, quality and timeliness will be affected.

Programme D.2: Applied Environmental Technologies

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	2,686.0	82.1	2,768.1
Consultants	65.0	2.7	67.7
Official travel	110.4	2.3	112.7
General operating expenses	46.7	1.2	47.9
Regular budget	2,908.1	88.3	2,996.4
Operational budget (OB)			
Staff costs	738.3	30.2	768.5
General operating expenses	14.6	0.2	14.8
Operational budget	752.9	30.4	783.3
Total RB/OB	3,661.0	118.7	3,779.7
Technical cooperation (non-RB)			21,500.0
Total resources	3,661.0	118.7	25,279.7

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	11.4	11.4	22.8
General Service	7.7	7.7	15.4
Total	19.1	19.1	38.2

By Subprogramme

	Staffing		Regular and operational budgets	Technical cooperation	TOTAL
	P	GS			
D.2.1. Industrial Water Management	4.0	3.2	704.9		704.9
D.2.2. Industrial and Hazardous Waste Management	5.6	3.2	911.1		911.1
D.2.3. Natural Resource Management	7.4	4.4	1,162.7		1,162.7
D.2.4. Environmental Monitoring and Control	1.8	1.2	326.5		326.5
D.2.5. Chemical Safety	4.0	3.4	674.5		674.5
D.2. Total Programme	22.8	15.4	3,779.7		3,779.7

Objective

D.18. The objective of the Programme is to mitigate the adverse effects of industrial production, transportation and urbanization on the environment and resources of the Earth through promoting the application of technologies related to water management, waste management, chemical safety, environmental monitoring and control, and natural resource management.

Composition

D.19. The Programme comprises the following five Subprogrammes:

D.2.1: Industrial Water Management
D.2.2: Industrial and Hazardous Waste Management
D.2.3: Natural Resource Management
D.2.4: Environmental Monitoring and Control
D.2.5: Chemical Safety

Subprogramme D.2.1: Industrial Water Management

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	491.2	15.4	506.6
Consultants	16.0	0.6	16.6
Official travel	19.0	0.4	19.4
General operating expenses	7.3	0.2	7.5
Regular budget	533.5	16.6	550.1
Operational budget (OB)			
Staff costs	147.0	3.8	150.8
General operating expenses	4.0		4.0
Operational budget	151.0	3.8	154.8
Total resources	684.5	20.4	704.9

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	2	2.0	4.0
General Service	1.6	1.6	3.2
Total	3.6	3.6	7.2

Objective

D.20. In view of the increasing recognition of the value of water for human life and sustainable development and the growing global water scarcity, the objective of the Subprogramme is to contribute to the concept of integrated water management, primarily through ensuring adequate water quality for manufacturing industries, treatment of industrial waste water and sewage, and the effective reuse and recycling of water in industrial activities.

Activities and outputs

D.21. During the biennium, the Subprogramme will focus its activities on the following areas:

01: In the context of the ACC and its subcommittees, the United Nations system has developed effective inter-agency cooperation on integrated water management involving UNEP, WHO, WTO, UNDP, the World Bank and UNIDO. In accordance with the role assigned to UNIDO, the

Subprogramme will address the issue of industrial technologies related to the United Nations-wide initiative;

02: Developing the capability of both policy makers and industry in developing countries and countries with economies in transition to adequately solve the problems caused by inadequate practices regarding industrial water use and effluent disposal. This will be particularly important for countries wishing to meet their obligations under the Global Programme of Action for the Protection of the Marine Environment from Land-Based Activities. This activity will be closely linked to the International Waters Programme of the GEF;

03: Within the above framework, the Subprogramme will also establish an information clearing-house on industrial water usage and prepare a standardized methodology for predicting water-borne pollutant discharges from industrial activities. Training material and case studies will be compiled in this area.

Resources

D.22. In addition to the resources allocated to the Subprogramme, consultant funds will be required to prepare guidelines for integrated industrial water management. Travel funds will be required to participate in water-related conferences and United Nations committees on water resources. Provision is also made for communications.

D.23. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have remained at the same level. Reductions have been made in communications.

Subprogramme D.2.2: Industrial and Hazardous Waste Management

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	507.9	14.2	522.1
Consultants	16.0	0.9	16.9
Official travel	27.5	0.6	28.1
General operating expenses	8.7	0.2	8.9
Regular budget	560.1	15.9	576.0
Operational budget (OB)			
Staff costs	315.0	11.7	326.7
General operating expenses	8.2	0.2	8.4
Operational budget	323.2	11.9	335.1
Total resources	883.3	27.8	911.1

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	2.8	2.8	5.6
General Service	1.6	1.6	3.2
Total	4.4	4.4	8.8

Objective

D.24. The objective of the Subprogramme is to develop capabilities in developing countries and countries with economies in transition to elaborate policies and implement approaches for the treatment, storage and disposal of different types of waste, with emphasis on the technical aspects of waste management, the selection of the most suitable technologies and the potential for waste recycling and/or conversion into useful products.

Activities and outputs

D.25. The Subprogramme will focus on hazardous wastes such as hazardous chemicals and hospital waste, industrial wastes such as fly ash generated by coal-fired utilities, and urban wastes. For projects in countries with economies in transition, the Subprogramme will explore special funding opportunities under the European Union's PHARE and TACIS programmes.

D.26. During the biennium, the Subprogramme will focus its activities on the following areas:

> 01: Collection and dissemination of information and creation of a database on recent developments in the field of waste management, reviewing policy approaches and technological options such as landfilling, incineration, recycling and composting;
>
> 02: Increasing capabilities in recipient countries to adequately manage waste problems and ensuring awareness of related economic, environmental and social issues;
>
> 03: Developing a specific programme for the protection of the environment from wastes generated by oil and hydrocarbon industries in Russia.

Resources

D.27. In addition to the resources allocated to the Subprogramme, consultant funds will be required to prepare guidelines for strategic planning of waste management. Travel funds will be required for participation in United Nations meetings and specialized conferences on hazardous waste, review of technologies, policy approaches and recent developments in the area of waste management and project development and formulation missions. Provision is also made for communications.

D.28. Staff and non-staff resources have been kept at the same levels as in the budgets proposed at 10 per cent reduction (PBC.13/14/1), except for a reduction in communications.

Subprogramme D.2.3: Natural Resource Management

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	973.9	31.5	1,005.4
Consultants	8.0	0.2	8.2
Official travel	38.0	0.8	38.8
General operating expenses	18.0	0.6	18.6
Regular budget	1,037.9	33.1	1,071.0
Operational budget (OB)			
Staff costs	86.2	5.5	91.7
Operational budget	86.2	5.5	91.7
Total resources	1,124.1	38.6	1,162.7

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	3.7	3.7	7.4
General Service	2.2	2.2	4.4
Total	5.9	5.9	11.8

Objective

D.29. The objective of the Subprogramme is to reduce risks and damage to human health and the environment associated with the processing of mineral resources and to contribute to their sustainable utilization.

Activities and outputs

D.30. During the biennium, the Subprogramme will focus its activities on the following areas:

01: Transforming the artisanal mining and mineral processing activities of developing countries into sustainable operations by promoting best practices to minimize environmental degradation and/or health hazards and establishing environmental accountability in industry and government at the highest management and policy-making levels;

02: Preparing and disseminating information to developing countries on the sustainable utilization of industrial minerals and on technology sources and options to promote diversity of end-uses, particularly in African LDCs.

D.31. The most disastrous environmental impact of artisanal mining/metallic mineral processing is the effect of mercury on human health. The special high impact programme addressing this issue will be further developed and applied in different countries and regions.

Resources

D.32. In addition to the resources allocated to the Subprogramme, consultant funds will be required for preparation of sectoral background documents and training materials on natural resource management. Travel funds will be required for project identification and formulation; preparation of sectoral background information; participation in international, regional and inter-agency meetings. Provision is also made for communications.

D.33. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), reductions have been made in communications.

Subprogramme D.2.4: Environmental Monitoring and Control

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	250.7	5.8	256.5
Consultants	13.0	0.3	13.3
Official travel	5.0		5.0
General operating expenses	3.4		3.4
Regular budget	272.1	6.1	278.2
Operational budget (OB)			
Staff costs	45.2	1.5	46.7
General operating expenses	1.6		1.6
Operational budget	46.8	1.5	48.3
Total resources	318.9	7.6	326.5

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	0.9	0.9	1.8
General Service	0.6	0.6	1.2
Total	1.5	1.5	3

Objective

D.34. The objective of the Subprogramme is to enhance developing countries' capacities in effective environmental monitoring and control through promoting the local design, development and manufacturing of required equipment and its application in industrial process optimization as well as introduction of cleaner production technologies.

Activities and outputs

D.35. During the biennium, the Subprogramme will focus its activities on the following areas:

01: Reviewing available technologies and recent developments in equipment and systems designed for monitoring and control of air, water and soil pollution in developing countries;

02: Establishing Environment Pollution Monitoring Networks (EPMS), addressing in particular environmental sensing and response, local control and data acquisition, supervisory control and monitoring, remote sensing, and geographical information systems;

03: Increasing the capacities of developing countries to locally produce components for modern environmental monitoring and control systems, as well as for applying such equipment in specific industrial sectors, with particular emphasis on the chemical industry.

Resources

D.36. In addition to the resources allocated to the Subprogramme, consultant funds will be required for the identification and assessment of existing data on environmental pollution, monitoring and control activities in developing countries. Travel funds will be required for project identification, participation in international, regional and inter-agency meetings. Provision is also made for communications.

D.37. Staff and non-staff resources have been kept at the same levels as in the budgets proposed at 10 per cent reduction (PBC.13/14/1), except for a reduction in communications.

Subprogramme D.2.5: Chemical Safety

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	462.3	15.2	477.5
Consultants	12.0	0.7	12.7
Official travel	20.9	0.5	21.4
General operating expenses	9.3	0.2	9.5
Regular budget	504.5	16.6	521.1
Operational budget (OB)			
Staff costs	144.9	7.7	152.6
General operating expenses	0.8		0.8
Operational budget	145.7	7.7	153.4
Total resources	650.2	24.3	674.5

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	2	2	4
General Service	1.7	1.7	3.4
Total	3.7	3.7	7.4

Objective

D.38. The objective of the Subprogramme is to reduce safety risks for human health and the environment stemming from the production, distribution, use and disposal of chemical products through enhancing capacities, particularly of small and medium industries, for risk management.

Activities and outputs

D.39. The Subprogramme responds to the mandate given under Chapter 19 of AGENDA 21. The members of the Inter-Organization Programme for the Sound Management of Chemicals (IOMC) - FAO, ILO, OECD, UNEP, UNIDO and WHO as well as UNITAR - are actively cooperating in the related activities.

D.40. During the biennium, the Subprogramme will focus its activities on the following areas:

01: Developing and disseminating the concept of an integrated programme on safety in chemical production for small and medium industries;

02: Implementing risk assessment and risk management programmes of various chemical products in industry and transferring relevant methodologies through cooperative activities of IOMC;

03: Upgrading institutional capacities through regional networking for ecotoxicology/environmental monitoring;

04: Developing and disseminating a UNIDO programme on green chemistry and environmentally sustainable manufacture of chemical products in cooperation with IUPAC and UNESCO.

Resources

D.41. In addition to the resources allocated to the Subprogramme, consultant funds will be required for developing a programme on green chemistry and environmentally sustainable manufacture of chemical products. Travel funds will be required for participation in inter-agency and other technical meetings on chemical safety. Provision is also made for communications.

D.42. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have remained at the same level. Reductions have been made in consultants and communications.

Programme D.3: International Environmental Agreements

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	5,484.3	164.3	5,648.6
Consultants	60.0	1.8	61.8
Meetings	40.0	0.7	40.7
Official travel	127.2	2.7	129.9
General operating expenses	92.5	3.1	95.6
Regular budget	5,804.0	172.6	5,976.6
Operational budget (OB)			
Staff costs	1,964.1	76.9	2,041.0
Consultants	20.0	0.6	20.6
Official travel	125.0	3.2	128.2
General operating expenses	52.2	1.8	54.0
Operational budget	2,161.3	82.5	2,243.8
Total RB/OB	7,965.3	255.1	8,220.4
Technical cooperation (non-RB)			65,300.0
Total resources	7,965.3	255.1	73,520.4

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	25.4	25.4	50.8
General Service	16	16	32
Total	41.4	41.4	82.8

By Subprogramme

	Staffing P	Staffing GS	Regular and operational budgets	Technical cooperation	TOTAL
D.3.1. Montreal Protocol	35.6	25.0	5,800.7		5,800.7
D.3.2. Climate Change and Energy-efficiency	10.6	4.8	1,679.6		1,679.6
D.3.3. GEF and other Agreements	4.6	2.2	740.1		740.1
D.3. Total Programme	50.8	32.0	8,220.4		8,220.4

Objective

D.43. The objective of the Programme is to support developing countries and countries with economies in transition in their efforts to fulfil the objectives set by, and meet the requirements emanating from, agreements, protocols and conventions established by the international community in the field of environment, thus contributing to the preservation and protection of the global eco-system.

D.44. The Programme reflects the contribution of UNIDO to these priority concerns of the international community in an integrated manner. The most important agreements addressed by UNIDO during the biennium are the Montreal Protocol on Substances that Deplete the Ozone Layer and the United Nations Framework Convention on Climate Change.

Composition

D.45. The Programme comprises three Subprogrammes:

D.3.1: Montreal Protocol
D.3.2: Climate Change and Energy-efficiency
D.3.3: GEF and other Agreements

Subprogramme D.3.1: Montreal Protocol

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	4,054.8	119.5	4,174.3
Official travel	43.0	1.0	44.0
General operating expenses	68.7	2.5	71.2
Regular budget	4,166.5	123.0	4,289.5
Operational budget (OB)			
Staff costs	1,302.5	59.3	1,361.8
Consultants	20.0	0.6	20.6
Official travel	95.0	2.5	97.5
General operating expenses	30.2	1.1	31.3
Operational budget	1,447.7	63.5	1,511.2
Total resources	5,614.2	186.5	5,800.7

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	17.8	17.8	35.6
General Service	12.5	12.5	25
Total	30.3	30.3	60.6

Objective

D.46. In the framework of the Multilateral Fund for the Implementation of the Montreal Protocol (MP), the objective of the Subprogramme is to develop capabilities of government authorities and industries in recipient countries to comply with the MP in the following sectors: refrigeration, including compressors and recovery and recycling of CFC, foam, aerosols, solvents, methyl bromide and production of ozone-depleting substances (ODS). The Subprogramme will aim at enhancing its support particularly to African countries and to small and medium industries.

D.47. The activities of the Subprogramme will be based, *inter alia*, on the agreement between the Executive Committee (EC) of the Multilateral Fund for the Implementation of the MP and UNIDO, as well as all relevant decisions of the meetings of the parties to the MP and the EC. The Multilateral Fund for the Implementation of the MP provides funds for the phasing out of ODS in developing countries (Article 5 countries). Non-Article 5 countries with economies in transition which are signatories to the Montreal Protocol also have an urgent need for both technical and financial assistance in phasing out ODS which eventually will be financed under GEF.

D.48. The Subprogramme liaises with the various MP bodies, linking and coordinating the UNIDO programme with the MP programmes of the other implementing agencies (UNDP, UNEP and the World Bank).

Activities and outputs

D.49. The Subprogramme will contribute to eliminating ozone depleting substances (ODS) used in the manufacture, repair and maintenance of domestic, industrial and commercial refrigerators, freezers, refrigeration systems, air conditioners, insulation panels and compressors. Ozone depleting substances are also being phased out as blowing agents in the foam sector and as propellant in the aerosols manufacturing sector. In the agro-sector ODS are also being phased out in the form of methyl bromide in agro-industries and related activities and CFC in the tobacco industry.

D.50. ODS elimination will be reached by converting the present ozone-depleting technologies into non-ozone depleting ones. Training and other methods are used to design new products and processes. Recovery and recycling of ozone depleting substances is also employed as a means to reduce consumption during transition.

D.51. During the biennium, the Subprogramme will focus its activities on the following areas:

> 01: Formulating and managing conversion projects in the refrigeration, solvents and halon sectors and analysing the refrigeration sector in developing countries with a view to formulating refrigerant management plans in countries with a low level of ODS consumption, as well as recovery and recycling projects;
>
> 02: Formulating and managing projects in the foams and aerosols sectors. Due to the higher inflammability of alternative products, special care will be given to the storage and handling of the different gases;
>
> 03: Evaluating existing equipment and its replacement by reliable and safe new equipment provided. Safety certificates of individual items of equipment, systems and complete plants will be issued in accordance with international and local regulations.
>
> 04: Formulating and managing projects in soil and non-soil production, in commodity storage as well as in the tobacco industry and collecting and disseminating information on the possible technological alternatives of phasing out methyl bromide in agro-industries and related activities;
>
> 05: Formulating UNIDO's policy related to MP (multilateral and bilateral components, reviewing technologies, policy options and recent developments in the entire MP programme, translating Executive Committee decisions into operational instructions for the formulation, approval and implementation of conversion projects and maintaining close links and coordination of activities with the other implementing agencies and Multilateral Fund Secretariat;
>
> 06: Representing UNIDO at relevant international fora such as official meetings of the Parties, regional networks of Ozone Officers, and inter-agency meetings;
>
> 07: Preparing UNIDO's work programmes, business plans and other relevant technical and policy documents, developing and implementing country programmes on ODS phase-out and institutional strengthening projects and monitoring the progress of future bilaterally-funded programmes, in particular by Australia, Austria, Canada, France, Germany, Italy and USA.

Resources

D.52. In addition to the resources allocated to the Subprogramme, consultant funds will be required for preparatory work of new activities on substitutes for ozone depleting substances. Travel funds will be required for technical monitoring missions and participation in inter-agency and technical meetings, working groups, meetings of Executive Committee and Parties, network and conventions. Provision is also made for communications.

D.53. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have been reduced by 0.3 Professional and 0.5 General Service posts. Reductions have also been made in communications.

Subprogramme D.3.2: Climate Change and Energy-efficiency

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	1,014.1	32.6	1,046.7
Consultants	30.0	0.9	30.9
Meetings	40.0	0.7	40.7
Official travel	74.7	1.6	76.3
General operating expenses	17.0	0.5	17.5
Regular budget	1,175.8	36.3	1,212.1
Operational budget (OB)			
Staff costs	443.2	9.2	452.4
General operating expenses	14.6	0.5	15.1
Operational budget	457.8	9.7	467.5
Total resources	1,633.6	46.0	1,679.6

Regular and operational budgets

	1998	1999	Total
Professional	5.3	5.3	10.6
General Service	2.4	2.4	4.8
Total	7.7	7.7	15.4

Objective

D.54. Within the framework of the United Nations Framework Convention on Climate Change (UNFCCC), the objective of the Subprogramme is to support developing countries and countries with economies in transition in their endeavours to transform industrial structures towards cleaner and more energy-efficient technologies with special emphasis on adopting energy technologies with low greenhouse gas (GHG) emissions.

Activities and outputs

D.55. The UNFCCC seeks to stabilize atmospheric GHG concentrations at a level that would prevent dangerous anthropogenic interference with the global climate. Under the operational strategy of the Global Environment Facility (GEF), emphasis is on (i) the removal of barriers to energy conservation and energy efficiency, (ii) increased use of available, commercially viable renewable energy technologies, and (iii) reduction of the long-term costs of low GHG-emitting energy technologies.

D.56. During the biennium, the Subprogramme will focus its activities on the following areas:

> 01: In accordance with the above GEF priorities, the Subprogramme will support the application of cost-effective environmentally sound energy technologies in developing countries (with emphasis on countries in Africa, Latin America and South and South-east Asia, including China, and countries with economies in transition);
>
> 02: Sectoral and country papers on measures that contribute to the stabilization of GHG concentrations will be prepared. Specific technical cooperation programmes will be developed and implemented to promote energy conservation, increase energy-efficiency, enhance the utilization of renewable sources of energy, and adopt clean fossil fuel technologies;
>
> 03: Methodologies will be developed to assess GHG emission mitigation technologies and strategies applicable to industry. UNIDO software tools for the evaluation of energy-efficient industrial technologies and processes will be further developed and disseminated.

Resources

D.57. In addition to the resources allocated to the Subprogramme, consultant funds will be required for the further development of UNIDO's programme on industrial energy end-use efficiency methodologies and analytical tools. Meeting funds will be required to promote the programme and disseminate its results. Travel funds will be required for project formulation, participation in meetings of the Climate Change Convention and in energy conferences. Provision is also made for communications.

D.58. Staff and non-staff resources have been kept at the same levels as in the budgets proposed at 10 per cent reduction (PBC.13/14/1), except for a reduction in communications.

Subprogramme D.3.3: GEF and other Agreements

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	415.4	12.2	427.6
Consultants	30.0	0.9	30.9
Official travel	9.5	0.1	9.6
General operating expenses	6.8	0.1	6.9
Regular budget	461.7	13.3	475.0
Operational budget (OB)			
Staff costs	218.4	8.4	226.8
Official travel	30.0	0.7	30.7
General operating expenses	7.4	0.2	7.6
Operational budget	255.8	9.3	265.1
Total resources	717.5	22.6	740.1

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	2.3	2.3	4.6
General Service	1.1	1.1	2.2
Total	3.4	3.4	6.8

Objective

D.59. The objective of the Subprogramme is to coordinate ongoing and develop new UNIDO activities funded under the GEF in all three major GEF operational areas, i.e. climate change (implemented under subprogramme D.3.2), biodiversity, and international waters. A specific objective of the Subprogramme is to contribute to the international programme on Industrial Pollution Control for the Biodiversity Conservation of Large Marine Ecosystems (LME) of which some 50 have been identified world-wide as constituting the most important global asset of biodiversity and natural resources.

Activities and outputs

D.60. During the biennium, the Subprogramme will focus its activities on the following areas:

01: Collecting and disseminating GEF-specific information and documentation, with emphasis on the countries with economies in transition, and representing UNIDO in GEF-related, strategically important conferences;

02: Through technical cooperation and advisory services, strengthening regional institutional capacities to monitor, assess, prevent and remedy land-based pollution and natural resources; generating regional data sets for use by decision makers; identifying land-based sources of marine pollution from industrial and municipal sources; assisting in the development of national and regional strategies for the management of LME; and developing management tools for industry;

03: As a specific activity, the Subprogramme will assist developing countries in protecting and restoring the health of degrading LME, particularly through regional cooperation in generating and exchanging environmental data and management technologies, thus supporting them in meeting the mandates of Chapter 15 (Biodiversity) and Chapter 17 (Oceans) of Agenda 21.

Resources

D.61. In addition to the resources allocated to the Subprogramme, consultant funds will be required to develop pilot projects and apply incremental cost evaluations. Travel funds will be required for participation in GEF meetings and involvement in relevant project monitoring and coordination missions. Provision is also made for communications.

D.62. Staff and non-staff resources have been kept at the same levels as in the budgets proposed at 10 per cent reduction (PBC.13/14/1).

Programme D.4: Regular Programme of Technical Cooperation

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Technical cooperation	2,529.0	107.0	2,636.0
Total resources	2,529.0	107.0	2,636.0

Objective

D.63. The objective of the Programme is to enable UNIDO to respond flexibly and effectively to priority needs of recipient countries and to support the development of comprehensive packages of integrated services for cleaner and sustainable industrial development through the strategic use of RPTC resources.

Activities and outputs

D.64. During the biennium, the activities and outputs of the Programme will be formulated on the basis of identified demand and requests received. IDDA activities will focus on the provision of technical cooperation in support of the goals of the Second IDDA and the AAI. Individual programmes and projects will be formulated in accordance with quality criteria and approval procedures established in relevant Director-General's bulletins. A consolidated description of activities foreseen during the biennium 1998-1999 is provided in a separate chapter on RPTC.

Resources

D.65. Indicative resource allocations are made to the Programme for UNIDO priority activities and for technical cooperation in support of the IDDA under the Major Programme.

D.66. As the overall resource levels for RPTC are based on 6 per cent of the regular budget, the resources available to the Programme have been reduced when compared with the 10 per cent budget reduction (PBC.13/14.1).

Programme D.5: Direction and Management

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	408.9	14.4	423.3
Official travel	28.0	0.7	28.7
General operating expenses	9.1		9.1
EDP non-staff costs	275.8	20.4	296.2
Other expenditures	314.8	17.2	332.0
Total resources	1,036.6	52.7	1,089.3

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	0.8	0.8	1.6
General Service	1.2	1.2	2.4
Total	2	2	4

Objective

D.67. The objective of the Programme is to provide effective management and direction to the activities of the Major Programme and to ensure the effective coordination and cooperation among the component Programmes and Subprogrammes as well as with all other Programmes and Subprogrammes within UNIDO.

Activities and outputs

D.68. The main activities of the Programme are to plan and coordinate the formulation of the work programmes of the Major Programme and its components in accordance with the mandate and the objectives of the Organization and the demands and needs of Member States. It will guide, coordinate, monitor and follow up the implementation of those work programmes and, in so doing, will ensure the effective and efficient financial and administrative management of the Major Programme.

Resources

D.69. In addition to the staff resources allocated to the Programme, travel resources are required to participate in international and high level conferences and inter-agency meetings, for interventions on strategic and policy issues at the field level and other high level missions requested by the Director-General. Provision is made for communications, hospitality and miscellaneous expenditures, and language and documentation services. Provision has also been made for general temporary assistance and overtime, electronic data processing, career development training and library services for the entire Major Programme.

D.70. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have remained at the same level. Reductions have been made in career development training, EDP non-staff, communications, library services, and language and documentation services for the Major Programme as a whole.

MAJOR PROGRAMME E: REGIONAL PROGRAMME MANAGEMENT

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	13,226.2	576.7	13,802.9
Consultants	70.0	3.1	73.1
Official travel	650.0	38.9	688.9
Contractual services	35.8	0.8	36.6
General operating expenses	1,740.0	112.7	1,852.7
Supplies and materials	114.8	6.4	121.2
Acquisition of furniture & equipment	379.2	27.0	406.2
EDP non-staff costs	103.8	7.9	111.7
Technical cooperation	930.5	39.3	969.8
IDDA supplementary	786.3	35.5	821.8
Other expenditures	847.8	27.9	875.7
Regular budget	18,884.4	876.2	19,760.6
Operational budget (OB)			
Staff costs	5,476.8	(256.1)	5,220.7
Official travel	240.0	18.0	258.0
General operating expenses	8.2	0.2	8.4
Operational budget	5,725.0	(237.9)	5,487.1
Total RB/OB	24,609.4	638.3	25,247.7
Technical cooperation (non-RB)			
Total resources			25,247.7

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	62	62	124
General Service	63.5	63.5	127
Total	125.5	125.5	251

By Programme

		Staffing		Regular and operational budgets	Technical cooperation	TOTAL
		P	GS			
E.1.	Africa	44.0	48.0	9,162.6		9,162.6
E.2.	Arab Countries	16.0	18.0	3,224.1		3,224.1
E.3.	Asia and the Pacific	24.0	24.0	4,287.7		4,287.7
E.4.	Europe and NIS	12.0	10.0	1,870.8		1,870.8
E.5.	Latin America and the Caribbean	24.0	24.0	4,562.1		4,562.1
E.6.	Regular Programme of Technical Cooperation			969.8		969.8
E.7.	Direction and Management	4.0	3.0	1,170.6		1,170.6
E.	Total Major Programme	124.0	127.0	25,247.7		25,247.7

Objective

E.1. The objective of the Major Programme is to coordinate the development of coherent frameworks ensuring that UNIDO activities at the regional and country levels are consistent with evolving patterns of demand as well as UNIDO's mandates, capacities and resources for delivering integrated services. In particular, the Major Programme ensures the effective coverage of the countries in each region through the operation of 20 subregional and country offices responsible for pro-active programming and promotion of UNIDO services, country-level funds mobilization, provision of information services, direct advice and support to technical cooperation activities, as well as participation in and contribution to common country programmes and activities of the United Nations system.

Composition

E.2. The Major Programme comprises seven Programmes:

E.1: Africa
E.2: Arab Countries
E.3: Asia and the Pacific
E.4: Europe and NIS
E.5: Latin America and the Caribbean
E.6: Regular Programme of Technical Cooperation
E.7: Direction and Management

Programme E.1: Africa

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	4,240.9	185.2	4,426.1
Official travel	232.0	15.0	247.0
Contractual services	16.0	0.4	16.4
General operating expenses	708.4	46.9	755.3
Supplies and materials	54.4	3.2	57.6
Acquisition of furniture & equipment	180.0	13.2	193.2
IDDA supplementary	629.0	28.5	657.5
Other expenditures	366.8	11.0	377.8
Regular budget	6,427.5	303.4	6,730.9
Operational budget (OB)			
Staff costs	2,409.9	(89.8)	2,320.1
Official travel	96.0	7.2	103.2
General operating expenses	8.2	0.2	8.4
Operational budget	2,514.1	(82.4)	2,431.7
Total resources	8,941.6	221.0	9,162.6

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	22	22	44
General Service	24	24	48
Total	46	46	92

By Subprogramme

	Staffing P	Staffing GS	Regular and operational budgets	Technical cooperation	TOTAL
E.1.1. Africa Bureau	12.0	8.0	2,833.6		2,833.6
E.1.2. Field representation	32.0	40.0	6,329.0		6,329.0
E.1. Total Programme	44.0	48.0	9,162.6		9,162.6

Objective

E.3. The objective of the Programme is to coordinate coherent frameworks for regional and country programmes in the Africa region with special attention to the IDDA and to the AAI as a dynamic mechanism for supporting the IDDA. The Programme also coordinates UNIDO activities for all LDCs. The Programme ensures effective field coverage at the country and subregional levels through the operation of eight country and subregional offices responsible for pro-active programming and promotion of UNIDO services, country-level funds mobilization, provision of information services and direct advice and support to technical cooperation activities

Composition

E.4. The Programme comprises two Subprogrammes:

E.1.1: Africa Bureau
E.1.2: Field Representation

Subprogramme E.1.1: Africa Bureau

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	1,490.3	39.9	1,530.2
Official travel	40.0	1.0	41.0
General operating expenses	24.4	0.9	25.3
IDDA supplementary	481.0	21.8	502.8
Other expenditures	366.8	11.0	377.8
Regular budget	2,402.5	74.6	2,477.1
Operational budget (OB)			
Staff costs	333.9	14.2	348.1
General operating expenses	8.2	0.2	8.4
Operational budget	342.1	14.4	356.5
Total resources	2,744.6	89.0	2,833.6

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	6	6	12
General Service	4	4	8
Total	10	10	20

Objective

E.5. The objective of the Subprogramme is to provide Headquarters support for developing and delivering integrated services to African countries within the policy directives and priorities established for the IDDA and the AAI. The Programme also coordinates UNIDO activities in all LDCs.

Activities and outputs

E.6. During the biennium, the Subprogramme will focus its activities on the following areas:

01: Serving as focal point for:

(a) Enhancing awareness of UNIDO's programmes, mandates, services and resource availability;

(b) Identifying, analysing and screening requests and proposals for technical cooperation programmes and projects to ensure the approval of relevant and cost-effective activities including the identification of adequate funding possibilities (in cooperation with Programme F.1).

02: Acting as the focal point for guiding and coordinating the activities of UNIDO subregional and country offices in Africa, and serving as their main channel of communication;

03: Consulting on a regular basis with Member States regarding UNIDO activities in African countries, with a view to improving their cooperation with UNIDO, both as recipients and as potential donors;

04: Developing new facilities and mechanisms to support regional economic integration and cooperation, including through ECDC/TCDC and triangular schemes;

05: Effectively managing and coordinating the IDDA and AAI through:

(a) Developing new areas of emphasis for the IDDA and AAI programmes on the basis of information gathered on relevant regional industrial trends;

(b) Providing policy direction and coordinating the preparation of integrated activities funded from technical cooperation and supplementary activity components of the IDDA programme, and drafting relevant guidelines;

(c) Setting priorities, coordinating proposals, monitoring progress and providing information to senior management and the policy-making organs of UNIDO on the status and implementation of IDDA activities and related expenditures;

(d) Supporting the activities of the Bureau of CAMI, of the Patron's Group of AAI composed of Heads of State, the Steering Committee comprised of ministers of industry and African private sector industrialists, and the 14th Conference of African Ministers of Industry;

(e) Establishing public and private sector consultative mechanisms for the formulation of national plans for the AAI and private sector development;

(f) Convening regional workshops to facilitate understanding of the AAI by all the actors involved and encouraging its utilization as a vehicle for industrialization.

06: Coordinating, monitoring and strengthening UNIDO activities in all LDCs through:

(a) Developing LDC-specific programmes and initiatives;

(b) Analysing and screening requests and proposals for technical cooperation programmes and projects for LDCs to ensure the delivery of integrated services;

(c) Liaising with relevant units in other United Nations agencies dealing with LDC matters, and fostering stronger collaboration and partnership with LDC-specific programmes of UNDP and other organizations and institutions.

07: Organizing and supporting global forum activities at the regional level, including ministerial meetings, seminars, etc. to discuss emerging issues and trends;

08: Facilitating regional and subregional level networking, including the generation and dissemination of country information for programming purposes and for maintaining liaison with the United Nations system, Bretton Woods institutions, and private and public sector partners.

Resources

E.7. In addition to the staff resources allocated to the Subprogramme, travel funds will be required to undertake programme formulation and funds mobilization missions, to attend inter-agency meetings and to participate in high-level international fora on priority activities for African countries and the LDCs. IDDA supplementary activity funds will be used for the implementation of the activities outlined above, in accordance with established programme and project development and approval procedures. Provision is also made for communications, and language and documentation services.

E.8. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have remained at the same level, while non-staff resources have been reduced in the areas of IDDA supplementary activities, communications, and language and documentation services.

Subprogramme E.1.2: Field Representation

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	2,750.6	145.3	2,895.9
Official travel	192.0	14.0	206.0
Contractual services	16.0	0.4	16.4
General operating expenses	684.0	46.0	730.0
Supplies and materials	54.4	3.2	57.6
Acquisition of furniture & equipment	180.0	13.2	193.2
IDDA supplementary	148.0	6.7	154.7
Regular budget	4,025.0	228.8	4,253.8
Operational budget (OB)			
Staff costs	2,076.0	(104.0)	1,972.0
Official travel	96.0	7.2	103.2
Operational budget	2,172.0	(96.8)	2,075.2
Total resources	6,197.0	132.0	6,329.0

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	16	16	32
General Service	20	20	40
Total	36	36	72

Objective

E.9. The objective of the Subprogramme is to ensure effective field coverage at the country and subregional levels in Africa through the operation of eight country and subregional offices.

Activities and outputs

E.10. During the biennium, the Subprogramme will focus its activities on the following areas:

01: Monitoring industrial development trends and support requirements and in this context, developing an integrated UNIDO response, and maintaining an active dialogue with public and private sector counterparts and organizations in the countries of coverage;

02: Applying the priorities and objectives of UNIDO's programmes at the country and/or regional levels, and participating in and contributing to the United Nations system's common country programmes and activities;

03: Enhancing funds mobilization through strengthening cooperation with UNDP and the United Nations system and securing access to sources of funds from international financial institutions such as the World Bank, regional development banks and bilateral funds at the country level;

04: Providing technical support to the implementation of selected technical cooperation programmes and projects;

05: Providing advisory and information services to private and public support institutions dealing with industry and industry-related activities;

06: Providing administrative and logistical support to UNIDO's programmes and projects and monitoring the efficient use of resources.

Resources

E.11. Professional staff posts and resources have been redeployed from the regional bureaux to the field. Four NPO posts have been established to strengthen the staffing requirements in the subregional offices. In addition to the staff resources allocated to the Subprogramme, funds for local travel and international travel will be required to cover the travel undertaken by the UCDs at their duty stations, as well as to other countries of coverage, to Headquarters, meetings and for ad hoc requirements. Provision is made for temporary assistance and overtime to ensure continuity of service. Local operating costs will also be required to cover the costs of operating the field offices. These costs comprise rental and maintenance of premises, utilities, communications, supplies and materials, external printing, miscellaneous services, acquisition of furniture and equipment and common costs shared with UNDP. IDDA supplementary activities funds will be used to assist field offices in the development of programmes and the formulation of industrial projects as well as the mobilization of local, bilateral and multilateral funding.

E.12. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), the number of field offices has been reduced from 10 to 8 and the support to the Subprogramme from IDDA supplementary activities funds has also been reduced accordingly. The effectiveness of UNIDO's field coverage in Africa will, therefore, be negatively affected.

Programme E.2: Arab Countries

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	1,932.2	89.4	2,021.6
Consultants	10.0	0.4	10.4
Official travel	86.0	5.2	91.2
Contractual services	1.8		1.8
General operating expenses	124.0	7.2	131.2
Supplies and materials	7.6	0.3	7.9
Acquisition of furniture & equipment	63.2	4.6	67.8
IDDA supplementary	157.3	7.0	164.3
Other expenditures	160.0	4.7	164.7
Regular budget	2,542.1	118.8	2,660.9
Operational budget (OB)			
Staff costs	587.5	(54.4)	533.1
Official travel	28.0	2.1	30.1
Operational budget	615.5	(52.3)	563.3
Total resources	3,157.6	66.5	3,224.1

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	8	8	16
General Service	9	9	18
Total	17	17	34

By Subprogramme

	Staffing P	Staffing GS	Regular and operational budgets	Technical cooperation	TOTAL
E.2.1. Arab Countries Bureau	6.0	4.0	1,270.1		1,270.1
E.2.2. Field Representation	10.0	14.0	1,954.0		1,954.0
E.2. Total Programme	16.0	18.0	3,224.1		3,224.1

Objective

E.13. The objective of the Programme is to develop and coordinate coherent frameworks for regional and country programmes in the Arab region, with special attention to IDDA and the AAI as a dynamic instrument for supporting the IDDA in African Arab countries. In particular, the Programme ensures an effective coverage at the country and subregional levels through the operation of three country and subregional field offices responsible for pro-active programming and promotion of UNIDO services, country-level funds mobilization, provision of information services and direct advice and support to technical cooperation activities.

Composition

E.14. The Programme comprises two Subprogrammes:

E.2.1: Arab Countries Bureau
E.2.2: Field Representation

Subprogramme E.2.1: Arab Countries Bureau

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	903.8	30.0	933.8
Consultants	10.0	0.4	10.4
Official travel	20.0	0.4	20.4
General operating expenses	14.6	0.5	15.1
IDDA supplementary	120.3	5.4	125.7
Other expenditures	160.0	4.7	164.7
Total resources	1,228.7	41.4	1,270.1

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	3	3	6
General Service	2	2	4
Total	5	5	10

Objective

E.15. The objective of the Subprogramme is to provide Headquarters support for developing and delivering integrated services to countries in the Arab region. With regard to programmes in African Arab countries, special attention will be given to the policy directives and priorities of the IDDA and AAI.

Activities and outputs

E.16. During the biennium, the Subprogramme will focus its activities on the following areas:

01: Serving as focal point for:

(a) Enhancing awareness about UNIDO's programmes, mandates, services and resource availability;

(b) Identifying, analysing and screening requests and proposals for technical cooperation programmes and projects to ensure the approval of relevant and cost-effective activities, including the identification of adequate funding possibilities (in cooperation with Programme F.1).

02: Acting as the focal point for guiding and coordinating the activities of UNIDO subregional and country offices in the Arab region, and serving as their main channel of communication;

03: Consulting on a regular basis with Member States regarding UNIDO activities and services in Arab countries, with a view to improving their cooperation with UNIDO, both as recipients and as potential donors;

04: Developing new facilities and mechanisms to support regional economic integration and cooperation, including through ECDC/TCDC and triangular schemes;

05: Effectively managing and coordinating the IDDA and AAI in African Arab countries through:

(a) Developing new areas of emphasis for the IDDA and AAI programmes on the basis of information gathered on relevant regional industrial trends;

(b) Providing policy direction and coordinating the preparation of integrated activities funded from technical cooperation and supplementary activity components of the IDDA programme;

(c) Establishing public and private sector consultative mechanisms for the formulation of national plans for the AAI and private sector development;

(d) Convening subregional workshops to facilitate understanding of the AAI by all the actors involved and encouraging its utilization as a vehicle for industrialization.

06: Organizing and supporting global forum activities at the regional level, including ministerial meetings, seminars, etc. to discuss emerging issues and trends;

07: Facilitating regional and subregional level networking, including the generation and dissemination of country information for programming purposes and for maintaining liaison with the United Nations system, Bretton Woods institutions, and private and public sector partners.

Resources

E.17. In addition to the staff resources allocated to the Subprogramme, consultant funds will be required in support of developing and formulating specific programmes and projects. Travel funds will be used to cover programme and project identification, formulation and monitoring activities. IDDA supplementary activities funds will be used for the implementation of the activities outlined above, in accordance with established programme and project development and approval procedures. Provision is also made for communications, and language and documentation services.

E.18. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have remained at the same level, but non-staff resources have been reduced in the areas of IDDA supplementary activities, communications, and language and documentation services.

Subprogramme E.2.2: Field Representation

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	1,028.4	59.4	1,087.8
Official travel	66.0	4.8	70.8
Contractual services	1.8		1.8
General operating expenses	109.4	6.7	116.1
Supplies and materials	7.6	0.3	7.9
Acquisition of furniture & equipment	63.2	4.6	67.8
IDDA supplementary	37.0	1.6	38.6
Regular budget	1,313.4	77.4	1,390.8
Operational budget (OB)			
Staff costs	587.5	(54.4)	533.1
Official travel	28.0	2.1	30.1
Operational budget	615.5	(52.3)	563.2
Total resources	1,928.9	25.1	1,954.0

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	5	5	10
General Service	7	7	14
Total	12	12	24

Objective

E.19. The objective of the Subprogramme is to ensure effective field coverage at the country and subregional levels in the Arab region through the operation of three country and subregional offices.

Activities and outputs

E.20. During the biennium, the Subprogramme will focus its activities on the following areas:

01: Monitoring industrial development trends and support requirements, and within this context, developing an integrated UNIDO response and maintaining an active dialogue with public and private sector counterparts and organizations in the countries of coverage;

02: Applying the priorities and objectives of UNIDO's programmes at the country and/or regional levels and, participating in and contributing to the United Nations system's common country programmes and activities;

03: Enhancing funds mobilization through strengthening cooperation with UNDP and the United Nations system and securing access to sources of funds from international financial institutions, such as the World Bank and regional development banks and bilateral funds at the country level;

04: Providing technical support to the implementation of selected technical cooperation programmes and projects;

05: Providing advisory and information services to private and public support institutions dealing with industry and industry-related activities;

06: Providing administrative and logistical support to UNIDO's programmes and projects and monitoring the efficient use of resources.

Resources

E.21. Professional staff posts and resources have been redeployed from the regional bureaux to the field. One NPO post has been established to strengthen the staffing requirements in the subregional offices. In addition to the staff resources allocated to the Subprogramme, funds for local travel and international travel will be required to cover the travel undertaken by the UCDs at their duty stations, as well as to other countries of coverage, to Headquarters, meetings and for ad hoc requirements. Provision is made for temporary assistance and overtime to ensure continuity of service. Local operating costs will also be required to cover the costs of operating the field offices. These costs comprise rental and maintenance of premises, utilities, communications, supplies and materials, external printing, miscellaneous services, acquisition of furniture and equipment and common costs shared with UNDP. IDDA supplementary activities funds will be used to assist field offices in

African Arab countries in the development of programmes and the formulation of industrial projects as well as the mobilization of local, bilateral and multilateral funding.

E.22. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), resources have remained unchanged, except for a slight reduction under IDDA supplementary activities.

Programme E.3: Asia and the Pacific

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	2,510.5	114.5	2,625.0
Consultants	20.0	0.9	20.9
Official travel	126.0	7.7	133.7
Contractual services	5.2		5.2
General operating expenses	333.1	21.8	354.9
Supplies and materials	24.8	1.4	26.2
Acquisition of furniture & equipment	67.6	4.6	72.2
Other expenditures	11.7	0.3	12.0
Regular budget	3,098.9	151.2	3,250.1
Operational budget (OB)			
Staff costs	1,038.0	(52.0)	986.0
Official travel	48.0	3.6	51.6
Operational budget	1,086.0	(48.4)	1,037.6
Total resources	4,184.9	102.8	4,287.7

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	12	12	24
General Service	12	12	24
Total	24	24	48

By Subprogramme

	Staffing P	Staffing GS	Regular and operational budgets	Technical cooperation	TOTAL
E.3.1. Asia and the Pacific Bureau	8.0	4.0	1,251.0		1,251.0
E.3.2. Field Representation	16.0	20.0	3,036.7		3,036.7
E.3. Total Programme	24.0	24.0	4,287.7		4,287.7

Objective

E.23. The objective of the Programme is to develop and coordinate coherent frameworks for regional and country programmes in the Asia and Pacific region. The Programme also ensures an effective coverage at the country and subregional levels through the operation of four field offices responsible for pro-active programming and promotion of UNIDO services, country-level funds mobilization, provision of information services and direct advice and support to technical cooperation activities.

Composition

E.24. The Programme comprises two Subprogrammes:

E.3.1: Asia and the Pacific Bureau
E.3.2: Field Representation

Subprogramme E.3.1: Asia and the Pacific Bureau

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	1,129.9	37.4	1,167.3
Consultants	20.0	0.9	20.9
Official travel	30.0	0.7	30.7
General operating expenses	19.5	0.6	20.1
Other expenditures	11.7	0.3	12.0
Total resources	1,211.1	39.9	1,251.0

Staffing: Regular and operational budgets

	1998	1998	Total
Professional	4	4	8
General Service	2	2	4
Total	6	6	12

Objective

E.25. The objective of the Subprogramme is to provide Headquarters support for developing and delivering integrated services to countries in the Asia and Pacific region.

Activities and outputs

E.26. The Subprogramme will focus its activities on the following areas:

01: Serving as focal point for:

(a) Enhancing awareness about UNIDO's programmes, mandates, services and resource availability;

(b) Identifying, analysing and screening requests and proposals of technical cooperation programmes and projects to ensure the approval of relevant and cost-effective activities, including the identification of adequate funding possibilities (in cooperation with Programme F.1).

02: Acting as the focal point for guiding and coordinating the activities of UNIDO subregional and country offices in the Asia and Pacific region, and serving as their main channel of communication;

03: Consulting on a regular basis with Member States regarding UNIDO activities and services in the Asia and Pacific region, with a view to improving their cooperation with UNIDO, both as recipients and as potential donors;

04: Developing facilities and funding mechanisms to support regional economic integration and cooperation, including ECDC/TCDC and triangular schemes;

05: Organizing and supporting global forum activities at the regional level, including ministerial meetings, seminars, etc. to discuss emerging issues and trends;

06: Facilitating regional and subregional level networking, including the generation and dissemination of country information for programming purposes and for maintaining liaison with the United Nations system, Bretton Woods institutions, and private and public sector partners.

Resources

E.27. In addition to the staff resources allocated to the Subprogramme, consultant funds will be required in support of developing and formulating specific programmes and projects. Travel funds will be used to cover programme and project identification, formulation and monitoring activities. Provision is also made for communications, and language and documentation services.

E.28. Staff and non-staff resources have been kept at the same levels as in the budgets proposed at 10 per cent reduction (PBC.13/14/1), except for slight reductions under communications.

Subprogramme E.3.2: Field Representation

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	1,380.6	77.1	1,457.7
Official travel	96.0	7.0	103.0
Contractual services	5.2		5.2
General operating expenses	313.6	21.2	334.8
Supplies and materials	24.8	1.4	26.2
Acquisition of furniture & equipment	67.6	4.6	72.2
Regular budget	1,887.8	111.3	1,999.1
Operational budget (OB)			
Staff costs	1,038.0	(52.0)	986.0
Official travel	48.0	3.6	51.6
Operational budget	1,086.0	(48.4)	1,037.6
Total resources	2,973.8	62.9	3,036.7

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	8	8	16
General Service	10	10	20
Total	18	18	36

Objective

E.29. The objective of the Subprogramme is to ensure effective field coverage at the country and subregional levels in the Asia and Pacific region through the operation of four country and subregional offices.

Activities and outputs

E.30. The Subprogramme will focus its activities on the following areas:

01: Monitoring industrial development trends and support requirements, developing an integrated UNIDO response and maintaining an active dialogue with public and private sector counterparts and organizations in the countries of coverage;

02: Applying priorities and objectives of UNIDO's programmes at country and/or regional levels and participating in and contributing to the United Nations system's common country activities and programmes;

03: Enhancing funds mobilization through strengthening cooperation with UNDP and the United Nations system and securing access to sources of funds from international financial institutions such as the World Bank, regional development banks and bilateral funds at the country level;

04: Providing technical support to the implementation of selected technical cooperation programmes and projects;

05: Providing advisory and information services to private and public support institutions dealing with industry and industry-related activities;

06: Providing administrative and logistical support to UNIDO's programmes and projects and monitoring the efficient use of resources.

Resources

E.31. Professional staff posts and resources have been redeployed from the regional bureaux to the field. Two NPO posts have been established to strengthen the staffing requirements in the subregional offices. In addition to the staff resources allocated to the Subprogramme, funds for local travel and international travel will be required to cover the travel undertaken by the UCDs at their duty stations, as well as to other countries of coverage, to Headquarters, meetings and for ad hoc requirements. Provision is made for temporary assistance and overtime to ensure continuity of service. Local operating costs will also be required to cover the costs of operating the field offices. These costs comprise rental and maintenance of premises, utilities, communications, supplies and materials, external printing, miscellaneous services, acquisition of furniture and equipment and common costs shared with UNDP.

E.32. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), the number of field offices has been reduced from five to four. The effectiveness of UNIDO's field coverage in the Asia and Pacific region will, therefore, be negatively affected.

Programme E.4: Europe and NIS

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	1,220.4	45.8	1,266.2
Consultants	20.0	0.9	20.9
Official travel	50.0	2.6	52.6
General operating expenses	83.6	5.3	88.9
Supplies and materials	3.2	0.1	3.3
Acquisition of furniture & equipment	16.8	1.2	18.0
Other expenditures	3.9		3.9
Regular budget	1,397.9	55.9	1,453.8
Operational budget (OB)			
Staff costs	403.4	(7.9)	395.5
Official travel	20.0	1.5	21.5
Operational budget	423.4	(6.4)	417.0
Total resources	1,821.3	49.5	1,870.8

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	6	6	12
General Service	5	5	10
Total	11	11	22

By Subprogramme

	Staffing P	Staffing GS	Regular and operational budgets	Technical cooperation	TOTAL
E.4.1. Europe and NIS Bureau	6.0	4.0	973.1		973.1
E.4.2. Field Representation	6.0	6.0	897.7		897.7
E.4. Total Programme	12.0	10.0	1,870.8		1,870.8

Objective

E.33. The objective of the Programme is to develop and coordinate coherent frameworks for regional and country programmes in the Europe and NIS region. The Programme also ensures field coverage at the subregional level through the operation of a subregional field office responsible for pro-active programming and promotion of UNIDO services, country-level funds mobilization, provision of information services and direct advice and support to technical cooperation activities.

Composition

E.34. The Programme comprises two Subprogrammes:

E.4.1: Europe and NIS Bureau
E.4.2: Field Representation

Subprogramme E.4.1: Europe and NIS Bureau

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	883.6	29.2	912.8
Consultants	20.0	0.9	20.9
Official travel	20.0	0.4	20.4
General operating expenses	14.6	0.5	15.1
Other expenditures	3.9		3.9
Total resources	942.1	31.0	973.1

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	3	3	6
General Service	2	2	4
Total	5	5	10

Objective

E.35. The objective of the Subprogramme is to provide Headquarters support for developing and delivering integrated services to countries in the Europe and NIS region.

Activities and outputs

E.36. During the biennium, the Subprogramme will focus its activities on the following areas:

01: Serving as focal point for:

(a) Enhancing awareness about UNIDO's programmes, mandates, services and resource availability;

(b) Identifying, analysing and screening requests and proposals of technical cooperation programmes and projects to ensure the approval of relevant and cost-effective activities including the identification of adequate funding possibilities (in cooperation with Programme F.1).

02: Acting as the focal point for guiding and coordinating the activities of the UNIDO subregional office and serving as its main channel of communication;

03: Consulting on a regular basis with Member States regarding UNIDO activities and services in the Europe and NIS region, with a view to improving their cooperation with UNIDO, both as recipients and as potential donors;

04: Developing facilities and funding mechanisms to support regional economic integration and cooperation, including through ECDC/TCDC and triangular schemes;

05: Organizing and supporting global forum activities at the regional level, including ministerial meetings, seminars, etc. to discuss emerging issues and trends;

06: Facilitating regional and subregional level networking, including the generation and dissemination of country information for programming purposes and for maintaining liaison with the United Nations system, Bretton Woods institutions, and private and public sector partners.

Resources

E.37. In addition to the staff resources allocated to the Subprogramme, consultant funds will be required in support of inputs to specific thematic and subsectoral programme and project identification and formulation. Travel funds will be required for programming and needs assessment missions and negotiations with non-traditional donors. Provision is also made for communications, and language and documentation services.

E.38. Staff and non-staff resources have been kept at the same levels as in the budgets proposed at 10 per cent reduction (PBC.13/14/1), except for a slight reduction in communications, and language and documentation services.

Subprogramme E.4.2: Field Representation

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	336.8	16.6	353.4
Official travel	30.0	2.2	32.2
General operating expenses	69.0	4.8	73.8
Supplies and materials	3.2	0.1	3.3
Acquisition of furniture & equipment	16.8	1.2	18.0
Regular budget	455.8	24.9	480.7
Operational budget (OB)			
Staff costs	403.4	(7.9)	395.5
Official travel	20.0	1.5	21.5
Operational budget	423.4	(6.4)	417.0
Total resources	879.2	18.5	897.7

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	3	3	6
General Service	3	3	6
Total	6	6	12

Objective

E.39. The objective of the Subprogramme is to provide field coverage at the subregional levels in the Europe and NIS region through the operation of one field office.

Activities and outputs

E.40. The Subprogramme will focus its activities on the following areas:

01: Monitoring industrial development trends and support requirements, developing an integrated UNIDO response and maintaining an active dialogue with public and private sector counterparts and organizations in the countries of coverage;

02: Applying priorities and objectives of UNIDO's programmes at country and/or regional levels and participating in and contributing to the United Nations system's common country activities and programmes;

03: Enhancing funds mobilization through strengthening cooperation with UNDP and the United Nations system and securing access to sources of funds from international financial institutions, such as the World Bank, regional development banks and bilateral funds at the country level;

04: Providing technical support to the implementation of selected technical cooperation programmes and projects;

05: Providing advisory and information services to private and public support institutions dealing with industry and industry-related activities;

06: Providing administrative and logistical support to UNIDO's programmes and projects and monitoring the efficient use of resources.

Resources

E.41. Professional staff posts and resources have been redeployed from the regional bureaux to the field. One NPO post has been established to strengthen the staffing requirements in the subregional offices. In addition to the staff resources allocated to the Subprogramme, funds for international travel will be required to cover the travel undertaken by the UCDs at their duty stations, as well as to other countries of coverage, to Headquarters, meetings and for ad hoc requirements. In addition to overtime, local operating costs will also be required to cover the costs of operating the field offices. These costs comprise rental and maintenance of premises, communications, supplies and materials, miscellaneous services, acquisition of furniture and equipment and common costs shared with UNDP.

E.42. Resources allocated to the Subprogramme have been kept at the same levels as in the budgets proposed at 10 per cent reduction (PBC.13/14/1).

Programme E.5: Latin America and the Caribbean

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	2,557.0	120.2	2,677.2
Consultants	20.0	0.9	20.9
Official travel	126.0	7.7	133.7
Contractual services	12.8	0.4	13.2
General operating expenses	474.7	31.2	505.9
Supplies and materials	24.8	1.4	26.2
Acquisition of furniture & equipment	51.6	3.4	55.0
Other expenditures	89.8	2.6	92.4
Regular budget	3,356.7	167.8	3,524.5
Operational budget (OB)			
Staff costs	1,038.0	(52.0)	986.0
Official travel	48.0	3.6	51.6
Operational budget	1,086.0	(48.4)	1,037.6
Total resources	4,442.7	119.4	4,562.1

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	12	12	24
General Service	12	12	24
Total	24	24	48

By Subprogramme

	Staffing P	Staffing GS	Regular and operational budgets	Technical cooperation	TOTAL
E.5.1. Latin America and the Caribbean Bureau	8.0	4.0	1,282.8		1,282.8
E.5.2. Field representation	16.0	20.0	3,279.3		3,279.3
E.5. Total Programme	24.0	24.0	4,562.1		4,562.1

Objective

E.43. The objective of the Programme is to develop and coordinate coherent frameworks for regional and country programmes in the Latin America and Caribbean region. The Programme also ensures an effective coverage at the country and subregional levels through the operation of four field offices responsible for pro-active programming and promotion of UNIDO services, country-level funds mobilization, provision of information services and direct advice and support to technical cooperation activities.

Composition

E.44. The Programme comprises two Subprogrammes:

E.5.1: Latin America and the Caribbean Bureau
E.5.2: Field Representation

Subprogramme E.5.1: Latin America and the Caribbean Bureau

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	1,082.8	35.9	1,118.7
Consultants	20.0	0.9	20.9
Official travel	30.0	0.7	30.7
General operating expenses	19.5	0.6	20.1
Other expenditures	89.8	2.6	92.4
Total resources	1,242.1	40.7	1,282.8

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	4	4	8
General Service	2	2	4
Total	6	6	12

Objective

E.45. The objective of the Subprogramme is to provide Headquarters support for developing and delivering integrated services to countries in the Latin America and Caribbean region.

Activities and outputs

E.46. The Subprogramme will focus its activities on the following areas:

01: Serving as focal point for:

(a) Enhancing awareness about UNIDO's programmes, mandates, services and resource availability;

(b) Identifying, analysing and screening requests and proposals of technical cooperation programmes and projects to ensure the approval of relevant and cost-effective activities, including the identification of adequate funding possibilities (in cooperation with Programme F.1);

02: Acting as the focal point for guiding and coordinating the activities of UNIDO subregional and country offices in the Latin America and Caribbean region and serving as their main channel of communication;

03: Consulting on a regular basis with Member States regarding UNIDO activities and services in the Latin America and Caribbean region, with a view to improving their cooperation with UNIDO, both as recipients and as potential donors;

04: Developing facilities and funding mechanisms to support regional economic integration and cooperation, including through ECDC/TCDC and triangular schemes;

05: Organizing and supporting global forum activities at the regional level, including ministerial meetings, seminars, etc. to discuss emerging issues and trends;

06: Facilitating regional and subregional level networking, including the generation and dissemination of country information for programming purposes and for maintaining liaison with the United Nations system, Bretton Woods institutions, and private and public sector partners.

Resources

E.47. In addition to the staff resources allocated to the Subprogramme, consultants funds will be required in support of developing and formulating specific programmes and projects. Travel funds will be used to cover programme and project identification, formulation and monitoring activities. Provision is also made for communications, and language and documentation services.

E.48. Staff and non-staff resources have been kept at the same levels as in the budgets proposed at 10 per cent reduction (PBC.13/14/1), except for slight reductions in communications, and language and documentation services.

Subprogramme E.5.2: Field Representation

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	1,474.2	84.3	1,558.5
Official travel	96.0	7.0	103.0
Contractual services	12.8	0.4	13.2
General operating expenses	455.2	30.6	485.8
Supplies and materials	24.8	1.4	26.2
Acquisition of furniture & equipment	51.6	3.4	55.0
Regular budget	2,114.6	127.1	2,241.7
Operational budget (OB)			
Staff costs	1,038.0	(52.0)	986.0
Official travel	48.0	3.6	51.6
Operational budget	1,086.0	(48.4)	1,037.6
Total resources	3,200.6	78.7	3,279.3

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	8	8	16
General Service	10	10	20
Total	18	18	36

Objective

E.49. The objective of the Subprogramme is to ensure effective field coverage at the country and subregional levels in the Latin America and Caribbean region through the operation of four field offices.

Activities and outputs

E.50. The Subprogramme will focus its activities on the following areas:

01: Monitoring industrial development trends and support requirements, developing an integrated UNIDO response and maintaining an active dialogue with public and private sector counterparts and organizations in the countries of coverage;

02: Applying priorities and objectives of UNIDO's programmes at country and/or regional levels and, to the extent possible, participating in and contributing to the United Nations system's common country activities and programmes;

03: Enhancing funds mobilization through strengthening cooperation with UNDP and the United Nations system and securing access to sources of funds from international financial institutions such as the World Bank, regional development banks and bilateral funds at the country level;

04: Providing technical support to the implementation of selected technical cooperation programmes and projects;

05: Providing advisory and information services to private and public support institutions dealing with industry and industry-related activities;

06: Providing administrative and logistical support to UNIDO's programmes and projects and monitoring the efficient use of resources.

Resources

E.51. Professional staff posts and resources have been redeployed from the regional bureaux to the field. Two NPO posts have been established to strengthen the staffing requirements in the subregional offices. In addition to the staff resources allocated to the Subprogramme, funds for local travel and international travel will be required to cover the travel undertaken by the UCDs at their duty stations, as well as to other countries of coverage, to Headquarters, meetings and for ad hoc requirements. Provision is made for temporary assistance and overtime to ensure continuity of service. Local operating costs will also be required to cover the costs of operating the field offices. These costs comprise rental and maintenance of premises, utilities, communications, supplies and materials, external printing, miscellaneous services, acquisition of furniture and equipment and common costs shared with UNDP.

E.52. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), the number of field offices has been reduced from five to four. The effectiveness of UNIDO's field coverage in the Latin America and Caribbean region will, therefore, be negatively affected.

Programme E.6: Regular Programme of Technical Cooperation

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Technical cooperation	930.5	39.3	969.8
Total resources			969.8

Objective

E.53. The objective of the Programme is to enable UNIDO to respond flexibly and effectively to priority needs of recipient countries and to support the development of integrated regional and subregional programmes, specifically with regard to the needs of the LDCs and in support of promoting ECDC/TCDC as well as the integration of women in industrial development. The Programme will also provide support to consultations between Governments and senior management of the Organization.

Activities and outputs

E.54. During the biennium, the activities and outputs of the Programme will be formulated on the basis of identified demand and requests received. IDDA activities will focus on the provision of technical cooperation in support of the goals of the Second IDDA and the AAI. Individual programmes and projects will be formulated in accordance with quality criteria and approval procedures established in relevant Director-General's bulletins. A consolidated description of activities foreseen during the biennium 1998-1999 is provided in a separate chapter on RPTC.

Resources

E.55. Indicative resource allocations to the Programme are made for UNIDO priority activities within special regional programmes, for technical assistance in support of the IDDA and for consultations with Governments.

E.56. As the overall resource levels for RPTC are based on 6 per cent of the regular budget, the resources available to the Programme have been reduced when compared with the 10 per cent budget reduction (PBC.13/14/1).

Programme E.7: Direction and Management

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	765.2	21.6	786.8
Official travel	30.0	0.7	30.7
General operating expenses	16.2	0.3	16.5
EDP non-staff costs	103.8	7.9	111.7
Other expenditures	215.6	9.3	224.9
Total resources	1,130.8	39.8	1,170.6

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	2	2	4
General Service	1.5	1.5	3
Total	3.5	3.5	7

Objective

E.57. The objective of the Programme is to provide effective management and direction to the activities of the Major Programme and to ensure the effective coordination and cooperation among the component Programmes and Subprogrammes as well as with all other Programmes and Subprogrammes within UNIDO.

Activities and outputs

E.58. The main activities of the Programme are to plan and coordinate the formulation of the work programmes of the Major Programme and its components in accordance with the mandate and the objectives of the Organization and the demands and needs of Member States. It will guide, coordinate, monitor and follow up the implementation of those work programmes and in so doing will ensure the effective and efficient financial and administrative management of the Major Programme.

Resources

E.59. In addition to the staff resources allocated to the Programme, travel resources are required to participate in international and high-level conferences and inter-agency meetings, for interventions on strategic and policy issues at the field level and other high-level missions requested by the Director-General. Provision is made for communications, hospitality and miscellaneous expenditures, printing, and language and documentation services. Provision has also been made for temporary assistance and overtime, electronic data processing, career development training and library services for the entire Major Programme.

E.60. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have remained at the same level, while non-staff resources have been reduced in the areas of temporary assistance, overtime, EDP non-staff costs, general operating and other expenses for the Major Programme as a whole.

MAJOR PROGRAMME F: TECHNICAL COOPERATION MANAGEMENT

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	6,517.1	221.0	6,738.1
Consultants	57.0	2.4	59.4
Official travel	166.9	4.3	171.2
General operating expenses	93.0	3.1	96.1
EDP non-staff costs	574.4	40.7	615.1
Other expenditures	159.4	8.1	167.5
Regular budget	7,567.8	279.6	7,847.4
Operational budget (OB)			
Staff costs	4,364.9	215.4	4,580.3
General operating expenses	57.4	1.8	59.2
Operational budget	4,422.3	217.2	4,639.5
Total resources	11,990.1	496.8	12,486.9

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	24.8	24.8	49.6
General Service	47.9	45.9	93.8
Total	72.7	70.7	143.4

By Programme

		Staffing		Regular and operational budgets	Technical cooperation	TOTAL
		P	GS			
F.1.	Funds Mobilization, Project Approvals and Programme Monitoring	12.0	12.0	2,301.7		2,301.7
F.2.	Quality Assurance and Evaluation	12.0	8.0	2,046.1		2,046.1
F.3.	Operational Support	24.0	72.0	6,982.6		6,982.6
F.4.	Direction and Management	1.6	1.8	1,156.5		1,156.5
F.	Total Major Programme	49.6	93.8	12,486.9		12,486.9

Objective

F.1. The objective of the Major Programme is to provide support for an effective and cost-efficient management of the technical cooperation activities of UNIDO, covering the entire project cycle from quality assurance, central funds mobilization, project approval mechanisms, operational support to and financial management of project implementation, as well as evaluation. The Major Programme also ensures the integration of ECDC/TCDC and gender considerations in UNIDO's programmes and projects.

Composition

F.2. The Major Programme comprises four Programmes:

F.1: Funds Mobilization, Project Approvals and Programme Monitoring
F.2: Quality Assurance and Evaluation
F.3: Operational Support
F.4: Direction and Management

Programme F.1: Funds Mobilization, Project Approvals and Programme Monitoring

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	1,658.0	35.0	1,693.0
Official travel	90.0	2.4	92.4
General operating expenses	24.4	0.9	25.3
Other expenditures	19.5	0.4	19.9
Regular budget	1,791.9	38.7	1,830.6
Operational budget (OB)			
Staff costs	441.7	21.0	462.7
General operating expenses	8.2	0.2	8.4
Operational budget	449.9	21.2	471.1
Total resources	2,241.8	59.9	2,301.7

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	6	6	12
General Service	6	6	12
Total	12	12	24

Objective

F.3. The objective of the Programme is to mobilize extrabudgetary financial resources from all categories of donors for UNIDO's technical cooperation programmes, to organize project screening and approval processes, to ensure the integration of ECDC/TCDC and gender considerations in UNIDO programmes and projects and to monitor the development and implementation of the technical cooperation activities.

F.4. The Programme is directly responsible for funds mobilization activities in relation to donor and global funds not allocated to individual countries, and supports and coordinates country and regional level funds mobilization activities undertaken by Major Programme E (Regional Programme Management). Funding sources will include, in particular, the United Nations system, bilateral and multilateral donors, trust fund arrangements and development finance institutions. Particular attention will be given to mobilizing innovative and new sources of development cooperation financing.

Activities and outputs

F.5. During the biennium, the Programme will focus its activities on the following areas:

01: Actively approaching current and potential donor Governments with a view to involving them in programme and project development and increasing the volume of technical cooperation financed by them through the IDF and/or trust funds. Within the Organization, the Programme will promote programmes and projects in accordance with donor priorities and requirements. The Programme will further structure and systematize the reporting of project progress to donors with a view to improving their appreciation of UNIDO services and increasing funding levels. It will promote the development of programmable contributions to UNIDO with the aim of reducing administrative and operational support costs and speeding up the project development process;

02: Strengthening relations with global funds (such as the GEF and CFC), development finance institutions and other potential contributors with a view to jointly developing programmes for their funding. Information about priorities and procedures applicable to these funds and contributors will be actively disseminated within UNIDO, including field offices, and initiatives taken to develop suitable, high priority projects;

03: Exploring cooperation with other potential sources of financial and non-financial support to UNIDO technical cooperation, including contributions in-kind and arrangements with volunteers and senior executives. It will also seek to develop new ways of promoting programmes and projects. The private sector, both individual enterprises and institutions, will be approached for contributions towards selected projects;

04: Advising both potential contributors and UNIDO staff on different options for contributions, considering the legal and other requirements of these options, as well as on support cost issues;

05: Maintaining and further developing contacts with donors in respect of UNIDO's Junior Professional Officers (JPO) and Associate Experts (AE) programme, with the target of achieving annual agreements for some 40 JPOs and 20-30 AEs, in support of the key activities of the Organization. The management of the AE/JPO programme will be further strengthened and systematized, in consultation with the regional bureaux and project personnel services. The Programme will actively participate in the selection of candidates and their placement at appropriate duty stations or projects;

06: Managing the functioning of, and providing support to: (a) UNIDO's Screening Committee, which reviews requests for assistance and project proposals before these are developed further with a view to ensuring that projects are within UNIDO's mandate, can be carried out in a cost-effective manner, and are likely to attract funding; and (b) the Project and Programme Review Committee, which reviews projects and programmes to ensure that these are designed in response to the needs of developing countries and in accordance with the Organization's policies, priorities, quality standards and rules and regulations;

07: Ensuring that the integration of women in industrial development as well as economic and technical cooperation among developing countries (ECDC/TCDC) are promoted as integral dimensions of UNIDO programmes and projects and monitoring the progress of such activities;

08: Maintaining a central monitoring system of all UNIDO technical cooperation programmes and projects, and providing regularly key analytical reports and systematic programme analyses on technical cooperation activities and trends in support of an effective policy coordination and guidance by senior management and policy-making organs.

Resources

F.6. In addition to the staff resources allocated to the Programme, travel funds are required for meetings with donor institutions and governments to mobilize funding for UNIDO programmes and projects, to participate in inter-agency meetings and undertake programme formulation missions. Funding is also provided for communications.

F.7. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), resources have been reduced by one Professional post and one General Service post. Consultant and meeting funds have been deleted and communications expenses reduced. While the objectives, activities and outputs of the Programme remain basically unchanged, their quantity, quality and timeliness will be affected.

Programme F.2: Quality Assurance and Evaluation

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	1,547.9	35.2	1,583.1
Consultants	45.0	2.0	47.0
Official travel	40.8	1.0	41.8
General operating expenses	29.3	1.1	30.4
Regular budget	1,663.0	39.3	1,702.3
Operational budget (OB)			
Staff costs	323.4	20.4	343.8
Operational budget	323.4	20.4	343.8
Total resources	1,986.4	59.7	2,046.1

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	6	6	12
General Service	4	4	8
Total	10	10	20

Objective

F.8. The objective of the Programme is to operate and continuously improve an effective quality system for the Organization with a view to ensuring that the regular budget-funded services and the technical cooperation programmes and projects of UNIDO are designed and implemented in accordance with the principles of relevance, sustainability, impact, efficiency and effectiveness, that lessons learned from their evaluation are effectively applied and that qualitative information in this respect is provided to senior management, donors and policy-making organs on an individual and aggregated basis.

Activities and outputs

F.9. During the biennium, the Programme will focus its activities on the following areas:

01: Assisting the Director-General and senior management in identifying areas for improvement of organizational performance by organizing self-assessment exercises, reviewing the functioning of internal processes critical to the delivery of services and training supervisory staff in relevant concepts and methods; a report on key areas requiring improvements will be prepared for the Director-General;

02: Supporting and monitoring the application of the principles of quality management of development cooperation by providing advice thereon to concerned staff and to the Programme and Project Review Committee (PPRC), ensuring the relevant training of Headquarters and field staff on project design, monitoring and evaluation, including through the organization of Objective-Oriented Project Planning (OOPP) workshops; a report will be prepared annually on the status of applying quality management principles in UNIDO;

03: Maintaining a dialogue with multilateral and bilateral development cooperation agencies on the continuous improvement of project cycle management;

04: Organizing and monitoring the preparation of in-depth evaluations and self-evaluations of technical cooperation projects of all sizes;

05: Conducting selected cluster evaluations, grouped by source of funds or substantive themes, in cooperation with respective donors and recipients, as well as selected programme level in-depth evaluations of Headquarters programmes;

06: Ensuring the analysis and dissemination of evaluation findings and their feedback into the design of future activities financed from both regular budget and extrabudgetary resources.

Resources

F.10. In addition to the staff resources allocated to the Programme, consultant funds will be required to obtain advice on quality issues related to self-assessment and technical cooperation methods and for specialized evaluations. Travel funds will be used to present and discuss principles of quality management with development cooperation agencies and quality institutions, to attend the annual meetings of the Inter-Agency Working Group on Evaluation, for consultation on evaluations with UNDP, development financing institutions and donor countries, and for evaluations not covered by extrabudgetary funding. Provision is also made for communications, and language and documentation services.

F.11. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have been reduced by one Professional and one General Service post and reductions have been made in communications, and language and documentation services. While the objectives, activities and outputs of the Programme remain basically unchanged, their quantity, quality and timeliness will be affected.

Programme F.3: Operational Support

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	2,961.5	141.0	3,102.5
Official travel	12.1	0.3	12.4
General operating expenses	34.1	1.1	35.2
Other expenditures	7.8	0.1	7.9
Regular budget	3,015.5	142.5	3,158.0
Operational budget (OB)			
Staff costs	3,599.8	174.0	3,773.8
General operating expenses	49.2	1.6	50.8
Operational budget	3,649.0	175.6	3,824.6
Total resources	6,664.5	318.1	6,982.6

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	12	12	24
General Service	37	35	72
Total	49	47	96

Objective

F.12. The objective of the Programme is to provide direct support to substantive programmes for the delivery of technical cooperation activities through services for project personnel, purchase and contracts, and the financial management of technical cooperation.

Activities and outputs

F.13. During the biennium, the Programme will focus its activities on the following areas:

F.14. Project Personnel:

01: The provision of project personnel, fellowships and study tour services on a cost-efficient, effective and transparent basis:

(a) Identifying qualified experts (approximately 4,000 experts in the biennium), maintaining appropriate rosters of experts and consultants and liaising with national and international sources of expertise;

(b) Carrying out interview missions and recruitment campaigns to identify new sources of high calibre candidates in both developed and developing countries;

(c) Ensuring that the UNIDO roster of experts is responsive to the actual needs of developing countries. The expansion of national execution of technical cooperation projects will require further improvement of the roster to enable UNIDO to meet fully the requests expected from national counterparts;

(d) In full accord with substantive sections concerned, identifying suitable training opportunities, place fellows and study tour participants and providing administrative support during training.

F.15. Purchase and Contracts:

01: The provision of purchase and contract services that are cost-efficient, effective and transparent, having wide geographical distribution and relations with firms, institutions, contractors and Government representatives:

(a) Providing services for the procurement of equipment and contractual services for technical cooperation projects executed by both UNIDO and under special arrangements with external clients. The Programme will also procure equipment and supplies required by UNIDO Headquarters, UCD and IPS offices, and for the operation, maintenance and repair of the VIC (1998). Rosters of equipment vendors and consulting companies will be maintained, updated and expanded;

(b) Endeavouring to increase the share of developing countries in the overall procurement of the Organization in line with the targets set by the relevant General Assembly resolutions. It will also aim at increasing the level of equipment and services procured on behalf of recipients of assistance from development finance institutions.

F.16. Financial Management of Technical Cooperation:

01: The financial management of technical cooperation activates will include:

(a) Issuing of project allotment documents, certification of the availability of funds and monitoring of the financial implementation of some 1,800 technical cooperation projects;

(b) Designing and maintaining financial reporting systems;

(c) Analysing statistical information for forecasting.

Resources

F.17. In addition to the staff resources allocated to the Programme, travel resources are required for project personnel services to undertake interview missions and recruitment campaigns. Provision is also made for language and documentation services, and communications.

F.18. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have been reduced by one Professional post and three General Service posts. The consequences of these reductions will be a reduced ability to respond to requests for support services by substantive programmes, thereby delaying the implementation of delivery of technical cooperation activities.

Programme F.4: Direction and Management

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	349.7	9.8	359.5
Consultants	12.0	0.4	12.4
Official travel	24.0	0.6	24.6
General operating expenses	5.2		5.2
EDP non-staff costs	574.4	40.7	615.1
Other expenditures	132.1	7.6	139.7
Total resources	1,097.4	59.1	1,156.5

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	0.8	0.8	1.6
General Service	0.9	0.9	1.8
Total	1.7	1.7	3.4

Objective

F.19. The objective of the Programme is to provide effective management and direction to the activities of the Major Programme and to ensure the effective coordination and cooperation among the component Programmes as well as with all other Programmes and Subprogrammes within UNIDO.

Activities and outputs

F.20. The main activities of the Programme are to plan and coordinate the formulation of the work programmes of the Major Programme and its components in accordance with the mandate and the objectives of the Organization and the demands and needs of Member States. It will guide, coordinate, monitor and follow-up the implementation of those work programmes and, in so doing, will ensure the effective and efficient financial and administrative management of the Major Programme.

Resources

F.21. In addition to the staff resources allocated to the Programme, consultant funds will be required to provide advice on policies and strategic issues related to the activities of the Major Programme. Travel resources are required to participate in international conferences and inter-agency meetings, for field level interventions on strategic and policy issues and other high-level missions requested by the Director-General. Provision is made for hospitality, communications and miscellaneous expenditures. Provision has also been made for general temporary assistance and overtime, electronic data processing, career development training, library services and printing for the entire Major Programme.

F.22. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have remained at the same level. Reductions have been made for electronic data processing, career development training, library services and communications.

MAJOR PROGRAMME G: ADMINISTRATION

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	19,551.9	129.7	19,681.6
Consultants	47.9	1.8	49.7
Official travel	104.0	2.4	106.4
Contractual services	5.0	-	5.0
General operating expenses	11,733.0	1,079.3	12,812.3
Supplies and materials	663.7	51.2	714.9
Acquisition of furniture & equipment	428.7	36.9	465.6
EDP non-staff costs	1,934.4	134.8	2,069.2
Other expenditures	9,091.9	574.4	9,666.3
Total expenditure	43,560.5	2,010.5	45,571.0
Income			
Staff costs	4,872.1	(310.2)	4,561.9
Consultants	5.7	0.1	5.8
Official travel	3.3	-	3.3
General operating expenses	8,327.8	782.5	9,110.3
Supplies and materials	97.7	7.1	104.8
Acquisition of furniture & equipment	154.6	12.5	167.1
Other expenditures	2.0	0.1	2.1
Total income	13,463.2	492.1	13,955.3
Regular budget (net)	30,097.3	1,518.4	31,615.7
Operational budget (OB)			
Staff costs	2,632.3	148.4	2,780.7
General operating expenses	24.4	0.9	25.3
Operational budget	2,656.7	149.3	2,806.0
Total resources	32,754.0	1,667.7	34,421.7

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	33.8	30.8	64.6
General Service	187.7	77.7	265.4
Total	221.5	108.5	330

By Programme

		Staffing		Regular and operational budgets	Technical cooperation	TOTAL
		P	GS			
G.1.	Personnel Services	16.0	30.0	5,092.9		5,092.9
G.2.	Financial Services	18.0	67.0	6,187.1		6,187.1
G.3.	General Services	29.0	164.0	22,147.9		22,147.9
G.4.	Direction and Management	1.6	4.4	993.8		993.8
G.	Total Major Programme	64.6	265.4	34,421.7		34,421.7

Objective

G.1. The objective of the Major Programme is to provide cost-effective and efficient personnel, financial, logistical support, electronic data processing and general services to all Major Programmes of the Organization.

Composition

G.2. The Major Programme comprises four Programmes:

G.1: Personnel Services
G.2: Financial Services
G.3: General Services
G.4: Direction and Management

Programme G.1: Personnel Services

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	3,388.6	130.7	3,519.3
Consultants	10.7	0.3	11.0
Official travel	43.0	1.1	44.1
Contractual services	5.0	-	5.0
General operating expenses	39.0	1.4	40.4
EDP non-staff costs	37.3	1.9	39.2
Other expenditures	1,044.6	45.5	1,090.1
Regular budget	4,568.2	180.9	4,749.1
Operational budget (OB)			
Staff costs	323.4	20.4	343.8
Operational budget	323.4	20.4	343.8
Total resources	4,891.6	201.3	5,092.9

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	8	8	16
General Service	16	14	30
Total	24	22	46

Objective

G.3. The objective of the Programme is to provide the full range of personnel support services to management and staff at Headquarters and in country offices through a decentralized, streamlined and customer-friendly organizational and functional structure.

G.4. The Programme comprises Recruitment and Staff Development, Personnel Administration and Social Security, and Direction.

Activities and outputs

G.5. The Recruitment and Staff Development activities are foreseen to:

01: Reinforce existing policies and develop new approaches to achieve an adequate regional and national ("geographic") distribution of staff, and to attract more women to serve in the Organization;

02: Promote the timely development of staffing plans and coordinate recruitment;

03: Develop a fully integrated career management system, promote staff learning policies and processes, implement staff training plans and coordinate training programmes in human resources management to facilitate the decentralization of personnel functions to line managers.

G.6. The Personnel Administration and Social Security will undertake activities to:

01: Develop and ensure the overall application of staff regulations and rules pertaining to conditions of employment, salaries and allowances, and standards of conduct;

02: Streamline and adapt personnel procedures and practices within a decentralized human resources management structure; propose the introduction of lump-sum benefits to substitute for an elaborate and complex system of administering and controlling individual entitlements, in particular education grant travel; develop a family leave programme and promote other aspects of a modern work/family life agenda;

03: Monitor the timely completion of the annual staff performance evaluation system, utilizing the system to foster staff/management dialogue and supplement the current system of staff awards by a new system of performance pay;

04: Review the rebuttal procedures and propose changes to make them more effective and efficient;

05: Administer and implement a staff reduction programme during the first year of the biennium.

G.7. Under Direction, the following activities will be undertaken:

01: Decentralize and delegate full operational responsibility and accountability for human resources management to programme managers and UNIDO subregional and country directors through the outposting of personnel service functions. Provide policy guidance, operational advice and overall direction and coordination for the implementation of the personnel support programme to the outposted units;

02: Promote greater mobility of internationally-recruited staff between Headquarters, country offices and field projects;

03: Introduce a dual track system of career and non-career appointments; develop a definition of continuing core functions and activities of limited duration; and develop appropriate contractual instruments in this regard;

04: Review the current approach to job classification within the United Nations system context to facilitate the development and introduction of a simplified and decentralized system;

05: Develop or adapt modern concepts of human resources management within UNIDO and at inter-agency level, in particular at CCAQ, ICSC and the UNJSPB;

06: Maintain constructive and balanced staff/management relations in an environment of transparency, mutual trust and understanding.

Resources

G.8. Responsibility for the activities and outputs described above will be assumed by the staff assigned to the Programme. The organization-wide reduction of staff will create an initial additional workload for Personnel Services. In determining the resource requirements, account has been taken of the expected reduction in Personnel Recruitment and Administration workloads, following the transfer of Buildings Management in 1999. Consultancy funds are provided to assist with the job classification review. Provision will be made for travel of staff to attend meetings of joint bodies of the United Nations system and undertake other missions concerning the work of the Programme. Provisions for career development training and electronic data processing training cover the organization-wide management development training and the upgrading of technical skills for staff in Administration. Funding for the contribution to the joint medical service operated by IAEA and to the joint language training operated by UNOV is included in the Programme. Provision is also made for printing, temporary assistance, communications and language and documentation services.

G.9. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have been reduced by one Professional and one General Service post. The reduced staff resources will delay the process of job classifications, impact on the maintenance of recruitment rosters and the screening process of candidates, limit the secretarial support in the Programme and generally lead to delays in implementing the demands for services from the substantive programmes. Non-staff resource reductions have been made in general temporary assistance, travel, other specialized services, printing, contribution to common medical service, contribution to joint UN/UNIDO language training, career development training, communications and joint UN/UNIDO language and documentation services in line with the overall staff reductions in the Organization and reduced service requirements.

Programme G.2: Financial Services

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	4,724.3	186.4	4,910.7
Consultants	30.0	1.3	31.3
Official travel	14.5	0.3	14.8
General operating expenses	43.8	1.6	45.4
Other expenditures	37.5	1.4	38.9
Regular budget	4,850.1	191.0	5,041.1
Operational budget (OB)			
Staff costs	1,078.0	68.0	1,146.0
Operational budget	1,078.0	68.0	1,146.0
Total resources	5,928.1	259.0	6,187.1

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	9	9	18
General Service	34.5	32.5	67
Total	43.5	41.5	85

Objective

G.10. The objective of the Programme is to ensure the efficient and cost-effective management of the financial resources of UNIDO, with due regard to the financial rules and regulations and specific decisions of the policy-making organs. This includes budgeting, planning, forecasting, expenditure control, cash management, accounting and reporting for regular and operational budget activities as well as special funds and accounts established under the financial regulations.

G.11. The Programme comprises Budget, Accounts and Payments, Treasury, and Direction.

Activities and outputs

G.12. Budget, which is responsible for budgetary and control functions for activities financed under the regular and operational budgets at UNIDO Headquarters and in the field, will:

01: Refine the new programme budget system and prepare budget estimates for biennial programme budgets; support, monitor and report on the financial implementation of approved budgetary appropriations and operational budget allocations; prepare reports on financial issues and financial projections, implementation and modalities for new activities; introduce new reports on the financial implementation of budgetary allocations on a programmatic basis;

02: Refine the operational budget reporting system and methodologies to allocate administrative costs with a view to strengthening delegated responsibility for resource utilization;

03: Issue programme allotment documents and UNIDO staffing tables for authorized posts; maintain systems, certify post availability and provide certification and financial management support for the implementation of IDDA supplementary activities and the field representation programme.

G.13. Accounts and Payments, which is responsible for the recording of the financial transactions of UNIDO, preparation of financial statements and payment of UNIDO's financial obligations for all sources of funds under UNIDO's responsibility, will:

01: Introduce new procedures in the light of reduced staff resources to ensure the completion of high priority tasks;

02: Process and maintain records of financial transactions arising from UNIDO operations, undertake monthly reconciliation of assets and liabilities for all funds and prepare financial statements and draft special reports and analyses on financial issues;

03: Prepare financial statements for submission to the policy-making organs of UNIDO through the External Auditors, to UNDP and other donors, as well as to United Nations Headquarters;

04: Process field transactions and control field imprest accounts and all UNIDO payments, including Headquarters and experts payroll, purchases, fellowships, contracts, travel and other claims and authorize disbursements.

G.14. Treasury, which is responsible for the regular budget assessed contributions and provision of cash management services, will:

01: Prepare scales of assessment for the regular budget and the Working Capital Fund for approval by the policy-making organs;

02: Inform Member States of their obligations with regard to assessed contributions and the Working Capital Fund, collect assessed contributions, acknowledge receipt and prepare reports for the policy-making organs on assessment matters and other financial issues;

03: Manage and control the receipt, custody, disbursement and investment of all funds entrusted to or belonging to UNIDO.

G.15. Direction, which is concerned with policy questions in the management of the financial resources of the Organization and the response to demands for advice on new financial initiatives, will:

01: Propose amendments to the financial regulations and rules, and issue financial instructions and revisions to the finance manual;

02: Provide advice and coordinate the preparation of reports on financial matters to the Director-General and the policy-making organs as well as for dissemination to other agencies within the United Nations system;

03: Represent UNIDO at meetings of such United Nations committees as CCAQ and ACABQ;

04: Direct the system analysis function within Financial Services to ensure an ongoing process of design, review and enhancement of financial systems and procedures.

Resources

G.16. Responsibility for the activities and outputs described above will be assumed by the staff assigned to the Programme. In determining the resource requirements, account has been taken of the expected reduction in workloads following the transfer of Buildings Management in 1999. Consultant funds will be required to complete non-routine tasks in support of the Programme. Travel resources are provided to attend meetings of joint bodies of the United Nations system and to undertake other missions concerned with the work of the Programme. Provision is made for general temporary assistance, overtime, printing, communications and language and documentation services.

G.17. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have been reduced by two General Service posts. Further reductions have been made under general temporary assistance, consultants, overtime, travel, printing, communications and contributions to joint UN/UNIDO language and documentation services. The overall staffing reductions in this Programme could weaken the financial controls and would result in an inability to meet some statutory requirements on a timely basis.

Programme G.3: General Services

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	10,994.1	(206.8)	10,787.3
Consultants	7.2	0.2	7.4
Official travel	22.5	0.4	22.9
General operating expenses	11,641.1	1,076.3	12,717.4
Supplies and materials	663.7	51.2	714.9
Acquisition of furniture & equipment	428.7	36.9	465.6
EDP non-staff costs	1,897.1	132.9	2,030.0
Other expenditures	7,628.0	413.5	8,041.5
Total expenditure	33,282.4	1,504.6	34,787.0
Income			
Staff costs	4,872.1	(310.2)	4,561.9
Consultants	5.7	0.1	5.8
Official travel	3.3	-	3.3
General operating expenses	8,327.8	782.5	9,110.3
Supplies and materials	97.7	7.1	104.8
Acquisition of furniture & equipment	154.6	12.5	167.1
Other expenditures	2.0	0.1	2.1
Total income	13,463.2	492.1	13,955.3
Regular budget (net)	19,819.2	1,012.5	20,831.7
Operational budget (OB)			
Staff costs	1,230.9	60.0	1,290.9
General operating expenses	24.4	0.9	25.3
Operational budget	1,255.3	60.9	1,316.2
Total resources	21,074.5	1,073.4	22,147.9

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	16	13	29
General Service	135	29	164
Total	151	42	193

By Subprogramme

		Staffing		Regular and operational budgets	Technical cooperation	TOTAL
		P	GS			
G.3.1.	Logistical Support	4	41	9,163.9		9,163.9
	Income			128.2		128.2
	Logistical Support (net)			9,035.7		9,035.7
G.3.2.	Management Information	22.0	22.0	5,585.9		5,585.9
G.3.3.	Buildings Management (gross)			21,353.4		21,353.4
	Income			13,827.1		13,827.1
	Buildings Management (net)	3.0	101.0	7,526.3		7,526.3
G.3. Total Programme (net)		29.0	164.0	22,147.9		22,147.9

Objective

G.18. The objective of the Programme is to provide efficient and cost-effective administrative support services for all UNIDO activities comprising accommodation, communications, management information services, inventory and records management, travel, transportation and shipment services, and supplies. The Programme also aims at ensuring safe and reliable operations of the VIC complex, for which UNIDO has responsibility.

Composition

G.19. The Programme comprises three Subprogrammes:

G.3.1: Logistical Support
G.3.2: Management Information Services
G.3.3: Buildings Management

Subprogramme G.3.1: Logistical Support

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	2,488.7	96.0	2,584.7
Official travel			
General operating expenses	1,099.7	85.9	1,185.6
Supplies and materials	540.0	42.2	582.2
Acquisition of furniture & equipment	233.0	21.1	254.1
Other expenditures	4,044.7	143.5	4,188.2
Total expenditure	8,406.1	388.7	8,794.8
Income			
Staff costs	119.3	8.9	128.2
Total income	119.3	8.9	128.2
Regular budget (net)	8,286.8	379.8	8,666.6
Operational budget (OB)			
Staff costs	323.4	20.4	343.8
General operating expenses	24.4	0.9	25.3
Operational budget	347.8	21.3	369.1
Total resources	8,634.6	401.1	9,035.7

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	2	2	4
General Service	23	18	41
Total	25	20	45

Objective

G.20. The objective of the Subprogramme is to provide for (a) the efficient management of the wide-ranging services under the Programme, and (b) official travel, transportation and shipment services; stationery supplies and furnishings; maintenance of inventories of expendable and non-expendable property for the Organization's Headquarters and field activities; and registry, records management and archive services.

Activities and outputs

G.21. New procedures will be introduced in the light of the reduced staffing resources in the Subprogramme to ensure the efficient implementation of the following activities:

01: Provide administrative support to Subprogramme G.3.3 (Buildings Management), including the Common Fund for Major Repairs and Replacements, and supervising the catering operation;

02: Undertake negotiations and discussions with other agencies operating at the VIC to ensure the smooth transfer of responsibility for Buildings Management by 1 January 1999;

03: Manage the resources for administrative services, such as joint security and safety, communications, supplies, acquisition of equipment and other operating costs in support of all UNIDO programmes;

04: Estimate travel costs for obligation, process travel authorizations and travel payment instructions and arrange travel and hotel accommodation; provide transportation by official vehicle and process claims on motor fuel tax refund for official cars; arrange shipments and insurance of personal effects, household goods and organizational property; and arrange storage, process insurance claims as well as customs declarations for duty-free importation of goods; provide information on visa-related matters, obtain official visas for the purposes of official travel and process United Nations travel documents;

05: Supervise and control the maintenance of property records; administer receipt, storage, distribution and maintenance services for all office equipment, stationery supplies and furnishings; continuously evaluate and control the relocation, receipt and disposal of all furniture, office equipment or other property; and monitor and control all records of purchases of equipment for the VIC Catering Service, the UNIDO offices at Geneva and New York, field offices, IPS offices and technical cooperation projects;

06: Maintain the electronic records management of UNIDO, including incoming, outgoing and internal communications, reference services and archiving the records retirement programmes of UNIDO.

Resources

G.22. Responsibility for the activities and outputs described above will be assumed by the staff assigned to the Subprogramme, including conference technicians servicing the technical equipment of conference services, currently cost-shared with UNOV, who are expected to be transferred together with Buildings Management to another organization in the VIC with effect from 1 January 1999. In determining the resource requirements of the Subprogramme, account has been taken of the expected reductions in workload following the transfer of Buildings Management in 1999. The Subprogramme requires resources for the operation, repair and upkeep of the parts of the building complex, and furniture and equipment attributable to UNIDO only. Resources are also required for the provision of administrative services, supplies and equipment to all programmes of the Organization. UNIDO's share of the cost of the joint UN/UNIDO communications service, provided by UNOV, is allocated to the Subprogramme. In 1998-1999, direct communications costs are allocated to the user programmes. Provision is also made for printing and travel funds. A table showing expenditure items is presented below.

G.23. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), further reductions have been made under travel, rental and maintenance of premises, miscellaneous services, supplies and materials, acquisition of furniture and equipment, contribution to joint communications service and joint UN/UNIDO language and documentation services. Most of the cuts are linked to the anticipated reduced staffing levels in the Organization under the 20 per cent budget reduction. Nevertheless, the reduced levels of non-staff resources will require particularly careful screening of all requests for services.

Regular budget resource breakdown

(In thousands of US dollars at US$ 1 = AS 12.90, at 1996-1997 rates)

	1998-1999 (1)	**1996-1997 (2)**	**Increase/(decrease) (3) = (1-2)**
Rental and maintenance of premises	617.3	738.7	(121.4)
Rental and maintenance of furniture and equipment	309.2	718.8	(409.6)
Communications	87.8	89.3	(1.5)
Miscellaneous services	110.0	188.6	(78.6)
Supplies and materials	540.0	686.4	(146.4)
Acquisition of furniture and equipment	233.2	407.2	(174.0)
Common security and safety service	2,170.6	2,670.6	(500.0)
Joint communications service	1,100.0	1,669.6	(569.6)
Reimbursement to common Major Repair Fund	650.0	650.0	-
TOTAL	5,818.1	7,819.2	(2,001.1)

Subprogramme G.3.2: Management Information

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	2,489.1	101.0	2,590.1
Official travel	18.3	0.4	18.7
EDP non-staff costs	1,897.1	132.9	2,030.0
Regular budget	4,404.5	234.3	4,638.8
Operational budget (OB)			
Staff costs	907.5	39.6	947.1
Operational budget	907.5	39.6	947.1
Total resources	5,312.0	273.9	5,585.9

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	11	11	22
General Service	11	11	22
Total	22	22	44

Objective

G.24. As a central reference point in the Secretariat for planning, implementing and supporting the application of information technology, the objective of the Subprogramme is the effective management of computer-based information as an institutional resource and as an instrument to enhance staff productivity, quality of work, organizational efficiency and improved institutional effectiveness. The Subprogramme undertakes (a) the planning, analysis, development and implementation of the Organization's computing systems; (b) the operation of equipment; (c) support of end-users and (d) the security and resource integrity of databases and applications.

Activities and outputs

G.25. During the biennium, the Subprogramme will focus on the following activities:

01: Supporting information management and cost-effective and efficient application of information technology throughout the Organization through identifying new opportunities and proposing implementation of technology developments, and by documenting and communicating ways to use computer equipment, applications, commercial software and telecommunications facilities. Assistance is provided to end-users throughout the Organization with regard to desktop computing and to planning of information technology strategy, resources and services;

02: Maintaining the suitable technical environment required for the successful operation of the mainframe partition under the facilities management agreement with IAEA, including liaising with IAEA staff, monitoring achievement of target service levels, controlling access and security, and managing data space and data integrity;

03: Providing services to analyse, design, programme and test new computerized information systems based on the Organization's strategic information technology requirements, maintaining and enhancing a growing number of existing computer applications;

04: Developing and maintaining standards, methods and procedures in order to support an adequate application architecture.

Resources

G.26. Responsibility for the activities and outputs described above will be assumed by the staff assigned to the Subprogramme. The resource allocations take account of the outsourcing of some functions, which are to be undertaken by IAEA's mainframe computer service under the new agreement with effect from 1998. Travel funds are foreseen to attend meetings of United Nations bodies and other organizations. The EDP non-staff costs under this Subprogramme cover the estimated requirements for Major Programme G (Administration) as a whole, together with estimated requirements for network, supplies, external computer costs and consultants, which cover all UNIDO programmes. Consultant funds are required to assist in designing, programming and implementing a country information system and in planning, and migrating applications from the mainframe to a client server platform. Provision is also made for general temporary assistance and overtime.

G.27. As compared to the budgets proposed at 10 per cent reduction (PBC.13/14/1), staff resources have been reduced by one General Service principal-level post and two General Service other-level posts. In addition, funds will be reduced under general temporary assistance and EDP non-staff costs, i.e. under office automation, network, supplies and external computer services. The requirement for consultants is deleted. The impact of these cuts will be to delay implementation to, or restrict the level of, services which are demanded by the Programmes of the Organization.

Subprogramme G.3.3: Buildings Management

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	6,016.3	(403.8)	5,612.5
Consultants	7.2	0.2	7.4
Official travel	4.2		4.2
General operating expenses	10,541.4	990.4	11,531.8
Supplies and materials	123.7	9.0	132.7
Acquisition of furniture & equipment	195.7	15.8	211.5
Other expenditures	3,583.3	270.0	3,853.3
Total expenditure	20,471.8	881.6	21,353.4
Income			
Staff costs	4,752.8	(319.1)	4,433.7
Consultants	5.7	0.1	5.8
Official travel	3.3		3.3
General operating expenses	8,327.8	782.5	9,110.3
Supplies and materials	97.7	7.1	104.8
Acquisition of furniture & equipment	154.6	12.5	167.1
Other expenditures	2.0	0.1	2.1
Total income	13,343.9	483.2	13,827.1
Total resources (net)	7,127.9	398.4	7,526.3

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	3		3
General Service	101		101
Total	104		104

Objective

G.28. On behalf of all the VIC-based international organizations and as a common service, the Subprogramme ensures safe and reliable operation, maintenance and repair of grounds, buildings, installations and equipment of the VIC complex in a timely, economical and efficient manner. It also provides services related to space allocation and staff relocation to all VIC-based organizations.

Activities and outputs

G.29. In 1998, activities of the Subprogramme include:

01: Providing round-the-clock operation of building systems and ensuring upkeep of the premises in compliance with local safety regulations, with emphasis on civil engineering, electrical engineering, electronics engineering and buildings operations, and implementation of the projects financed by the Common Fund for Major Repairs and Replacements at the VIC to which UNIDO, IAEA, UNOV and the Austrian Government contribute;

02: Operating, maintaining and repairing UNIDO/UNOV conference room installations and audio-visual equipment; supervising and reviewing services contracted in relation to the maintenance of the VIC complex; carrying out the technical operation of United Nations/UNIDO conferences; taking measures to meet strict requirements in respect of waste disposal; and providing services relating to space allocation and staff relocation in accordance with established office space standards.

Resources

G.30. The resources under the Subprogramme vary considerably between 1998 and 1999.

G.31. The present financing structure, which will continue to apply in 1998, provides for a gross budget to cover all the costs of buildings management, including staff and non-staff. On the basis of the cost-sharing formula used to allocate the costs of operating the VIC complex, UNIDO expects cost reimbursement income representing 77.2 per cent of gross expenditures in 1998. From 1999, when UNIDO expects to transfer responsibility to another organization in the VIC, UNIDO will become a recipient of services rather than a provider. Effective 1 January 1999, UNIDO will no longer maintain staff in Buildings Management or budget for the variety of building operation costs, hitherto detailed in the budget. From 1999 the costs to UNIDO of Buildings Management, which are anticipated at 22.8 per cent of the total operating costs, will be budgeted under a single object of expenditure.

G.32. The resource requirements, cost reimbursement and UNIDO's share of the programme are presented below at 1998-1999 costs:

	Total gross cost			**Cost reimbursement to UNIDO**		**UNIDO share**		
	1998	**1999 a/**	**1998-1999**	**1998**	**1999**	**1998**	**1999**	**1998-1999**
Percentage				79.0	N/A	21.0	21.0	21.0
Staff costs								
Established posts	5,301.1	5,369.5	10,670.6	4,187.8		1,113.3		1,113.3
General temporary assistance	246.1	258.4	504.5	194.4		51.7		51.7
Consultants	7.4	8.3	15.7	5.8		1.6		1.6
Overtime	65.3	69.0	134.3	51.5		13.8		13.8
Official travel	4.2	4.6	8.8	3.3		0.9		0.9
Non-staff costs								
Rental and maintenance of premises	5,224.7	5,545.7	10,770.4	4,127.5		1,097.2		1,097.2
Utilities	6,273.0	6,650.4	12,923.4	4,955.7		1,317.3		1,317.3
Rental and maintenance of furniture and equipment	26.8	28.6	55.4	21.3		5.5		5.5
Miscellaneous services	7.3	8.2	15.5	5.8		1.5		1.5
Supplies and materials	132.7	141.1	273.8	104.8		27.9		27.9
Acquisition of furniture and equipment	211.5	231.7	443.2	167.1		44.4		44.4
Common printing services	2.7	3.5	6.2	2.1		0.6		0.6
UNIDO's contribution to common Buildings Management							3,850.6	3,850.6
TOTAL	17,502.8	18,319.0	35,821.8	13,827.1	0.0	3,675.7	3,850.6	7,526.3

a/ For information only, not included in UNIDO's budget estimates, but is expected to be included in the budget estimates of the managing organization in 1999.

Special consideration

G.33. In view of the difficult budget situation facing UNIDO, it has not been possible to include resources for a major equipment replacement programme scheduled to be undertaken over the next three years. The gross costs of the programme for 1998-1999 of $7.6 million would be shared by participating organizations. UNIDO's share would be approximately $1.7 million. Although no resources are requested for this purpose at this time, a solution to the financing of the essential programme must be found. In this respect, the other organizations sharing in the costs of the VIC have included reference to the Programme in their programme budgets for 1998.

Programme G.4: Direction and Management

Resource estimates (in thousands of dollars)

	1998-1999 before recosting	Recosting	1998-1999 estimates
Regular budget (RB)			
Staff costs	444.9	19.4	464.3
Official travel	24.0	0.6	24.6
General operating expenses	9.1		9.1
Other expenditures	381.8	114.0	495.8
Total resources	859.8	134.0	993.8

Staffing: Regular and operational budgets

	1998	1999	Total
Professional	0.8	0.8	1.6
General Service	2.2	2.2	4.4
Total	3	3	6

Objective

G.34. The objective of the Programme is to provide effective management and direction to the activities of the Major Programme and to ensure the effective coordination and cooperation among the component Programmes and Subprogrammes as well as with all other Programmes and Subprogrammes within UNIDO.

Activities and outputs

G.35. The main activities of the Programme are to plan and coordinate the formulation of the work programmes of the Major Programme and its components in accordance with the mandate and the objectives of the Organization and the demands and needs of Member States. It will guide, coordinate, monitor and follow-up the implementation of those work programmes and in so doing will ensure the effective and efficient financial and administrative management of the Major Programme.

Resources

G.36. In addition to the staff resources allocated to the Programme, travel resources are required to participate in international and high-level conferences and inter-agency meetings, for interventions on strategic and policy issues at the field level and other high-level missions requested by the Director-General. Provision is made for meetings planning and interpretation, covering the estimated requirements of all UNIDO programmes with the exception of Major Programme A (Policy-making Organs). Provision is made for general temporary assistance, overtime, hospitality, miscellaneous expenditures, communications and printing. Provision has also been made for library services for the entire Major Programme.

G.37. As compared to the budgets at 10 per cent reduction (PBC.13/14/1), reductions are proposed under interpretation, communications and library services.

INDUSTRIAL DEVELOPMENT DECADE FOR AFRICA SUPPLEMENTARY ACTIVITIES

Objective

1. The refocused plan for the Second IDDA, as adopted by the thirty-third summit of OAU in June 1997, envisages activities in the following key areas: (a) strengthening inter-linkages between industry and agriculture, (b) enhancing industrial investment in support of rehabilitation and improved performance of enterprises, (c) strengthening the African entrepreneurial base, (d) strengthening the informal and small-scale sectors, (e) market orientation, (f) stimulating an industrial culture, (g) promoting subregional and regional cooperation, and (h) environmental issues.

2. The Alliance for Africa's Industrialization will serve as a dynamic mechanism for the attainment of the goals and objectives of the second IDDA by supplementing existing government support services and promotional efforts through mobilizing additional resources.

Activities and outputs

3. During the biennium, the programme for IDDA supplementary activities will concentrate on the following areas:

(a) Ensuring a comprehensive public information programme on UNIDO activities in Africa (Programme B.6);

(b) Mobilizing domestic and foreign direct investment through integrated programmes of investment and technology promotion (Subprogramme C.1.1);

(c) Developing and supporting interactive policy formulation (Subprogramme C.2.1);

(d) Developing and supporting coherent strategies for promoting competitiveness of small and medium industries (Subprogramme C.3.1);

(e) Supporting African industries, specifically their access to external markets, by enhancing their level of quality, competitiveness and safety and by providing instruments to reduce technical trade barriers originated from international standards and regulations (Subprogramme C.3.2);

(f) Conducting sectoral surveys in support of industrial transformation of agricultural resources (Subprogramme C.4.1);

(g) Supporting cooperation of African regional centres of excellence for agro-support industries to facilitate capacity-building (Subprogramme C.4.2);

(h) Introducing cleaner production techniques at plant level and supporting the establishment of cleaner production centres (Subprogramme D.1.3);

(i) Supporting field offices in programme development, project formulation and resource mobilization (Subprogrammes E.1.2 and E.2.2);

(j) Providing the coordination structure and secretariat requirements for the AAI (Subprogrammes E.1.1 and E.2.1).

1. The resources and details of activities are described under the respective Programmes and Subprogrammes. Individual programmes and projects will be subject to established programme development and approval procedures.

2. Activities in support of the IDDA will also be financed under the Regular Programme of Technical Cooperation (RPTC) and are described under the relevant programme descriptions.

REGULAR PROGRAMME OF TECHNICAL COOPERATION

Introduction

1. This section of the budget presents the programmatic description and resources of the Regular Programme of Technical Cooperation for the Organization as a whole. In accordance with the programmatic approach, specific resource allocations are presented in the Major Programmes under which the activities are to be implemented.

Objective

2. The objective of the Regular Programme of Technical Cooperation is defined in the Constitution of UNIDO: it is designed to improve the effectiveness of the Organization's programme of work in the field of industrial development and to strengthen the Organization's contribution to the United Nations development system (UNIDO Constitution, Annex II, part B). The Programme will ensure the effective implementation of the Regular Programme of Technical Cooperation to enable UNIDO to adapt its functions and priorities and orient its activities to the new realities of the changing global economic environment. The Programme will help UNIDO to sharpen its focus and implement its mandates to support and promote the sustainable industrial development of developing countries and countries with economies in transition. Special attention will be given to least developed countries, especially in Africa.

Activities and outputs

01: The activities of the Programme will be implemented under all substantive programmes of the Organization. They will be designed so as to enable the Organization to respond effectively to the priority needs of recipient countries and ensure the quality of UNIDO services in terms of relevance to target beneficiaries. The activities will help UNIDO to develop comprehensive packages of integrated services. Considering the limited amount of these freely programmable funds, they will be used strategically as seed money and will contribute to mobilizing additional resources;

02: Two categories of activities respond to specific mandates: the technical cooperation component of the IDDA programme, and consultations with Governments. The IDDA-related activities will focus on the provision of services that promote the realization of the goals of the Second IDDA using the Alliance for Africa's Industrialization and its Plan of Action, adopted by the thirteenth Conference of the African Ministers of Industry, as a mechanism for achieving the objectives of a re-focused IDDA. In accordance with the Plan of Action, emphasis will be given to UNIDO's global forum function and four selected priority areas: (a) capacity-building for industrial competitiveness; (b) linking industry and agriculture to enhance productivity and competitiveness in agro-industries; (c) promoting growth in small and medium industries; and (d) promoting private investment and other forms of international industrial cooperation;

03: The other activities will be structured along the lines of the Organization's streamlined priorities: strengthening of industrial capacities, promoting investment and related technologies, supporting industrial information and networking, supporting the global forum function, providing policy advice and promoting cleaner and sustainable industrial development. Emphasis will be given to services in support of agro-based and agro-related industries and in support of SMIs and their integration into national industrial structures. A key area of focus of the Regular Programme of Technical Cooperation will be the needs of the LDCs, in particular through the design of projects and programmes for these countries and mobilization of financial resources for their implementation. The Programme will also aim at promoting international industrial cooperation between developed and developing countries, among developing countries and between developing countries and countries with economies in transition. Emphasis will be given to the integration of women in development;

04: The projects to be implemented under the Regular Programme of Technical Cooperation will be based on the following criteria:

(a) Preparatory activities, including needs assessment, that will enable UNIDO to develop programmes and projects to respond to priority needs of recipient countries;

(b) Upstream and analytical work, including expert group meetings to support the development of UNIDO priority programmes;

(c) Promotional activities directly linked to the development of priority programmes through such mechanisms as seminars, workshops and symposia;

(d) Flexible response to urgent requests for immediate policy and technical advisory services;

(e) Technical cooperation activities meeting the criteria of the IDDA programme.

Resources

3. The resources allocated to the programme (6 per cent of the total regular budget of the Organization) will be utilized to finance technical cooperation activities as described above.

(a)	UNIDO priorities, including special regional programmes	$3,755,200
(b)	Consultations with Governments	$ 110,000
(c)	Industrial Development Decade for Africa	$3,640,100
	Total	**$7,505,300**

MISCELLANEOUS INCOME

1. Estimated miscellaneous income for 1998-1999 amounts to $1,505,500, details of which are shown in the following paragraphs.

A. Income on deposits ($1,396,200)

2. Estimates for income on deposits is based on anticipated interest earnings on cash balances in the General Fund and Working Capital Fund for the Organization. Based on the income earned under this heading in 1996 and anticipated for 1997, an estimate of $1,396,200 for 1998-1999 is considered reasonable.

B. Sale of publications ($109,300)

3. Through its sales publications, UNIDO seeks to promote its image world-wide as the focal point of the United Nations in all matters concerning industrial development. A sales publication usually originates when a substantive unit considers it has produced a study with sufficiently wide appeal as to be saleable. If the study is the result of an expensive input of staff and consultant time, selling it is a means not only of disseminating the data or information gathered, but also of recouping at least part of the outlay on its gathering.

4. Within the UNIDO Secretariat, the overall responsibility for developing and implementing the Organization's publications programme is vested in the Publications Board, which is chaired by the Director-General and is required to meet twice a year. The day-to-day management of the publications programme is undertaken by the Publications Committee and meets on a regular monthly basis. The Committee is required to prepare, for the Board's approval, policy recommendations governing all aspects of UNIDO's publications activities as well as recommendations for an indicative annual publications programme. In addition, the Committee is required to monitor continuously the execution of the publications programmes, and to establish and administer a revolving fund to finance the Organization's publications activities. The fulfilment of these functions is entrusted to the Secretary of the Publications Board and Committee, who combines this task with that of the divisional Administrative Officer, allocating approximately half of his time to each of these activities. It also requires substantial general service support from the secretary to the Managing Director.

5. The marketing arrangements for UNIDO's sales publications are currently under review. Until 1993, UNIDO concluded an annual agreement with the United Nations Publications Section to distribute UNIDO publications in return for a reimbursement of the printing costs plus a royalty of 10 per cent. For selected publications with a good sales potential, a system of charging 35 per cent on a consignment basis was also adopted. The terms of this agreement continue, *de facto*, to be observed by both parties pending a comprehensive review of UNIDO policy with regard to sales publications. A direct sales system has, however, been set up within the Secretariat of the Publications Board and Committee to ensure a speedy response to customer requests for sales publications submitted directly to UNIDO. This function, which is indispensable to promote and maintain UNIDO's reputation as a client-oriented organization, also requires substantial clerical support from the secretary to the divisional Administrative Officer and Secretary of the Publications Board/Committee.

Sales publication revolving fund

6. In line with the practice in many other organizations in the United Nations system, the budget proposal foresees the establishment of a sales publication revolving fund. The establishment of such a fund recognizes the increasing importance of publications in demonstrating the role of UNIDO as a global forum for supplying and promoting industrial development.

7. A sales publication revolving fund would be established with income earned from the sales of publications during the biennium. The fund would support the longer range planning of publication activities, including promotion, marketing and re-printing of publications.

8. One half of the revenue to the fund, during a biennium, would be credited to miscellaneous income to ensure that the anticipated credit against Member States' contributions for sale of publications is maintained. The fund will cover costs which, under the current procedures, is set off against revenues. The proposed treatment of sales publication revenue will also improve the transparency of accounting procedures.

9. Unless there is a marked increase in sales activity, the sales publication revolving fund is expected to have only a modest balance by the end of the biennium. The following table presents the anticipated financial activity during the biennium under the fund:

Estimates of gross and net revenue
(In thousands of US dollars)

	1996-1997 approved estimates		1998-1999 estimates		
			Sales publications revolving fund		Miscellaneous income
Gross sales		193.3	109.3		109.3
Less expenses against revenue					
Travel	7.0		7.0		
Advertising and promotion	28.4		28.4		
Printing	48.0		48.0		
Miscellaneous	0.6		0.6		
		84.0		84.0	
BALANCE IN SALES PUBLICATION REVOLVING FUND (31/12/1999)		N/A		25.3	
NET REVENUE		109.3			109.3

10. Expenditures on travel ($7,000) will be required for travel to book fairs or for organizing special promotional activities. An amount of $28,400 will be required for journal advertisements and other promotional activities. Reprints of sales publications and planned publications for which provision in the regular budget is insufficient are expected to require $48,000 during the biennium. Miscellaneous expenditures of $600 relate to unreimbursed mailing costs.

C. Other items

11. Other items for which miscellaneous income has been received in prior bienniums, but for which reliable estimates cannot be made are presented for the information of Member States. Those items include:

(a) Refund of prior year expenditures;

(b) Sales of used equipment;

(c) Net gain on exchange.

Any income received for these or other miscellaneous items during the biennium will be recorded against other income and reported in the financial performance reports.